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Japan

Reportage Relating to Visit of U.S. Delegation

Tokyo Plans U.S. Car Parts Target

OW0601233592 Tokyo KYODO in English 2303 GMT 06 Jan 92

[Text] Tokyo, Jan. 7 KYODO—Japan plans to set a target for Japanese carmakers to buy about 18 billion dollars worth of U.S. car parts in 1994 to settle the row over the auto trade imbalance, government sources said late Monday.

The target will be included in an action plan to be released after talks between Prime Minister Kiichi Miyazawa and U.S. President George Bush during Bush's four-day visit to Japan which starts Tuesday.

The figure is about twice the amount of U.S. car parts bought by the five major Japanese carmakers in 1990.

International Trade and Industry Ministry (MITI) sources said Japan will offer the target to the United States and hopes the U.S. understands the measure.

Japanese carmakers decided in November to buy about 17.2 billion dollars worth of U.S. car parts in 1994 to allay growing U.S. frustration over the auto trade imbalance with Japan.

MITI, however, later called on the carmakers to raise the target to meet the U.S. demand for more purchases of U.S. car parts.

Sony, Nissan Executives on Visit

OW0701093192 Tokyo NHK General Television Network in Japanese 1200 GMT 6 Jan 92

[Report on interviews with Akio Morita, chairman of Sony Corporation, Takashi Ishihara, chairman of Nissan Motor Company, and Toshikuni Yahiro, former chairman of Mitsui and Company, by unidentified reporter in Tokyo on 6 January; from the "NHK News 21" program]

[Text] This year, in light of conditions overseas, it is likely that Japan will be forced to make increasingly difficult choices on questions like rice market liberalization and trade surplus reduction. We have asked for views on how Japan should respond to the changing global situation.

[Begin video recording] [Reporter] President Bush will arrive in Japan tomorrow. It seems that Japan will be compelled to make tough decisions in various areas of Japan-United States relations, particularly on trade issues.

[Morita] President Bush is travelling to Japan with some businessmen; the President is acting as salesman. I think it is sad for the United States that this should be happening. It is time for Japan to repay its debt to the United States and make efforts to help that country. [end video recording]

[Begin video recording] [Reporter] This will be a very difficult year for the auto industry, right?

[Ishihara] As I have said over and over, most of the trade friction between Japan and the United States is about automobiles. Fortunately, representatives of the Big Three will arrive with Bush on this visit. I hope that all three representatives of the Big Three will meet with representatives of the Japanese auto industry if possible, that each side will listen to the other's position, and that everyone will clearly state what he wants. I think both sides should make the best of this good chance. This kind of chance has never before happened in our history. [end video recording]

[Reporter] With Japan's trade surplus expected to exceed $100 billion in 1991, anti-Japan sentiments are forecast to increase. As a trading company, what are you planning to do about this?

[Yahiro] In this situation of expanding exports, which increases the trade surplus, we must expand imports into Japan through every means available. Increasing imports by expanding domestic consumption will be the most effective tactic.

[Reporter] But can market liberalization be accomplished so easily?

[Yahiro] Japan has continued expanding its market, though admittedly under external pressure. Of course, there are some products, represented by rice, in which Japan wants to be self-sufficient. But this is impermissible if we want to be part of the international community. I think this is the year of the final battle in opening the door to the market. [end video recording]

Bush Arrives in Osaka 7 Jan

OW0701021392 Tokyo KYODO in English 0206 GMT 07 Jan 92

[Text] Osaka, Jan. 7 KYODO—U.S. President George Bush arrived in Osaka Tuesday morning for a four-day visit to Japan on the final leg of his 12-day Asia-Pacific tour.

During the visit until Friday, Bush will meet with Prime Minister Kiichi Miyazawa for talks on ways to secure wider U.S. access to the Japanese market and other issues.

This is the first state visit by a U.S. President since former President Ronald Reagan came to Japan in 1983.

After arriving, Bush and his wife Barbara were to fly to the Kyoto Imperial Palace by helicopter and attend a luncheon meeting given by former Prime Minister Toshiki Kaifu and his wife Sachiko.

Bush is to call for cementing bilateral relations at a meeting with Japanese and U.S. students later Tuesday before he visits the American Toys 'R' Us sales outlet in Kashihara, Nara Prefecture.

The Bush visit to the U.S. retail store, coincides with his appeal for greater access for American manufacturers and retailers to Japanese markets. The store will open Wednesday.

Bush will fly to Tokyo in the evening.

On Wednesday, Bush will hold a one-on-one session with Prime Minister Miyazawa and a plenary meeting after attending a welcome ceremony at the Akasaka Palace and paying a state call on Emperor Akihito.

Bush and Miyazawa will hold another round of talks Thursday morning before holding an afternoon news conference and release the Tokyo declaration and an action program.

The government is mobilizing 52,000 policemen and riot police to protect the Bush entourage.

Rightists, Bomb Victims Protest

OW0701084592 Tokyo KYODO in English 0836 GMT 7 Jan 92

[Text] Tokyo, Jan. 7 KYODO—Rightists and U.S. atomic bomb victims staged separate demonstrations in Tokyo, Kyoto and Hiroshima Tuesday against U.S. President George Bush's arrival in Japan for a state visit.

Thirty-five members of the new rightist group "Issuikai" who gathered at a park in Shibuya, Tokyo, branded bush a "war criminal who killed many Iraqis in the Persian Gulf war."

They also said the U.S. atomic bombing of Japan in the closing days of the Pacific War was unpardonable.

A member of the group then donned a mask of the U.S. President and apologized to Iraqis and citizens of Hiroshima and Nagasaki.

Meanwhile, members of Hidankyo, or the Japan federation of A- and H-bomb sufferers organizations, staged a sit-in in front of an atomic bomb monument in Hiroshima to protest Bush's earlier remarks that the U.S. decision to use the bomb against Japan in World War II was legitimate.

Security police also removed a 29-year-old man from Hiroshima Prefecture who was distributing leaflets urging the president to honor atomic bomb victims near the Tsuruya restraunt in Kyoto, where Bush and his wife had lunch with former Prime Minister Toshiki Kaifu.

In northern Japan, farmers and labor union members turned out to protest the Bush visit and American pressure to open the Japanese rice market.

In Sendai, where some 600 farmers protested, Sakari Komaguchi of the Miyagi Prefecture Agricultural Cooperatives' Association said he believes there are still many politicians who value land and agriculture, although some have recently called for changes in the government's tarrification policy.

In Aomori Prefecture, about 200 citizens marched, saying unity is required to preserve both the environment and the safety of food.

Farmers in Yamagata Prefecture demonstrated by driving their tractors through the streets of Yamagata city.

Miyazawa Urges Cooperation

OW0701070792 Tokyo KYODO in English 0659 GMT 07 Jan 92

[Text] Tokyo, Jan. 7 KYODO—Prime Minister Kiichi Miyazawa told fellow members of the ruling Liberal Democratic Party on Tuesday that Japan should do its utmost to respond to U.S. requests to buy more American products.

"We must do what we can," Miyazawa said before the arrival of President George Bush in Tokyo in the evening. "I want to contribute to the friendly relationship between Japan and the United States."

Miyazawa was responding to U.S. requests for Japan to increase its purchases of U.S.-made automobiles, auto parts, computers, and other products that the U.S. says are globally competitive.

Trade issues are expected to top the agenda during discussions between Miyazawa and Bush, who arrived in Osaka from Seoul Tuesday morning for a four-day official visit. The two leaders are to meet in Tokyo on Wednesday and Thursday.

Miyazawa was addressing a New Year's celebration. Japanese organizations hold new year's parties throughout January.

He also served notice that the government will try again during the next ordinary session of the Diet to pass legislation enabling Japan to take part in United Nations peacekeeping activities.

MITI Outlines Import Package

OW0701043392 Tokyo KYODO in English 0410 GMT 07 Jan 92

[Text] Tokyo, Jan. 7 KYODO—Twenty-three major Japanese companies plan to increase their imports of manufactured goods to 26,445 million dollars in fiscal 1993, up 10,181 million dollars from fiscal 1990, according to the Ministry of International Trade and Industry (MITI).

Japan will present the import expansion package to U.S. President George Bush in a series of summit talks in

Tokyo starting Wednesday, MITI officials said. Bush arrived in Osaka Tuesday morning from Seoul on the last leg of his Asia-Pacific trip.

The companies, including automobile and electronics manufacturers, have announced the plans under the "Business Global Partnership" program worked out by the MITI to help reduce Japan's surging trade surplus.

About one half of the increase in imports will come from the United States.

The officials said they are considering incorporating the package in an "action plan" for Japan-U.S. cooperation which is to be published at the close of the summit talks.

Of the 23 companies, 10 electronics manufacturers disclosed plans for 17,448 million dollars worth of imports in fiscal 1993, up 7,217 million dollars from fiscal 1990.

Nine automakers plan 7,270 million dollars worth of imports in fiscal 1993, up 2,342 million dollars, and four machinery manufacturers 1,727 million dollars, up 622 million dollars.

The three industries thus plan to increase imports of manufactured goods by 40 to 70 percent in three years, the officials said.

In addition to import expansion, NEC Corp. said it plans to increase local procurements of components at its overseas production bases by 2.5 times from fiscal 1990 to 1995.

Toyota Motor Corp. also plans to increase such procurements from 3.7 billion dollars in fiscal 1990 to 5.4 billion dollars in fiscal 1994.

Tokyo 'Ready To Extend' Help

OW0701085792 Tokyo KYODO in English 0850 GMT 07 Jan 92

[Text] Tokyo, Jan. 7 KYODO—Japan wants to reciprocate past U.S. benevolence by helping the United States straighten out its economy and maintain its global leadership role, the chief Foreign Ministry spokesman said Tuesday.

Taizo Watanabe, speaking to foreign correspondents shortly after the arrival in Japan of President George Bush on a four-day visit, said Tokyo "would really like to see the United States continue to take a leading role in building up this new world order in the post- cold war (era)."

Noting that the U.S. now faces daunting economic challenges that could be partly met by expanded exports, Watanabe said Japan "is ready to extend whatever help we can to the United States in their efforts to recover from these economic challenges."

Watanabe said Japan is considering how best to help U.S. industries, especially the ailing automobile industry, recover.

He said Tokyo's efforts come not from U.S. pressure, but "out of our concern about the future of the (U.S. economy)."

"We need a strong America, we need a continued leadership in the world by the United States, and we really need to see the continued prosperity of the American economy," he said.

The government is optimistic that Japanese automakers and dealers will respond positively to its call for them to import more American autos and to use more U.S.-manufactured parts in cars assembled in Japan and in Japanese-affiliated factories overseas.

"We are now encouraging them to respond to the government's wish that all of us who have benefited from the generosity and kindness of the Americans in the past reciprocate that kindness and show concern about the challenges being faced by the American economy and the American people," Watanabe said.

He suggested Tokyo's campaign would have a greater effect on boosting Japanese purchases of U.S.-made parts than of American cars.

He noted Japan imported some 200,000 cars last year, but acknowledged that only 15 percent were from America, while Japanese cars accounted for some 40 percent of the U.S. market.

Watanabe said Japan had earlier "removed all the barriers" to auto trade, including eliminating tariffs. U.S. Government and industry officials are now pressing Japan for such concessions as further easing rules on inspecting cars imported from the U.S.

Watanabe said Japanese automakers and dealers will take the initiative in forming targets for increased purchases of U.S. products, perhaps by Wednesday or Thursday, when Bush is to hold talks with Prime Minister Kiichi Miyazawa.

"That is not something the government can force upon them, neither is it something the two governments could agree on," he said. Rather, he said, the government wants to "encourage" the domestic industry to do all it can, "so that our spirit of cooperation can be reflected in the attitude of Japanese manufacturers and dealers."

But Watanabe warned that the anticipated targets "cannot be achieved only through one-sided efforts."

"If there is to be any market, there should be efforts on the part of (U.S.) exporters to respond to the kind of advice and help coming from Japan," he said.

Product Standards Relaxation Plan

OW0701061392 Tokyo KYODO in English 0602 GMT 07 Jan 92

[Text] Tokyo, Jan. 7 KYODO—Government officials reported Tuesday in a meeting with leaders of the ruling

Liberal Democratic Party [LDP] on plans to relax Japanese import inspection and product certification standards on 86 items, including automobiles and auto parts.

The goverment plans were worked out in connection with U.S. President George Bush's visit to Japan, which started Tuesday, as part of efforts to increase imports of U.S. manufactured goods.

The detailed standards have been criticized overseas as a type of nontariff trade barrier.

The LDP leaders basically approved the government plans, officials said.

The conferees, including Chief Cabinet Secretary Koichi Kato and LDP Secretary General Tamisuke Watanuki, also agreed to try to abolish other measures which could lead to de facto import restrictions.

At the same time, they agreed that market forces, rather than the government, should determine whether certain products should be imported.

The officials, however, agreed that Japan should not make a specific commitment at the summit on opening its rice market but should express only general support for the Uruguay Round of multilateral trade negotiations as the place to solve that issue.

'Action Plan' Project Reported

OW0701061092 Tokyo KYODO in English 0548 GMT 07 Jan 92

[Text] Tokyo, Jan. 7 KYODO—International Trade and Industry Minister Kozo Watanabe will hold an extra meeting with visiting U.S. Commerce Secretary Robert Mosbacher on Tuesday in a bid to finish a scheduled "action plan" for Japan-U.S. cooperation, ministry officials said.

Both ministers were in Kashihara, Nara Prefecture, with U.S. President George Bush on Tuesday for the opening of the second Japanese outlet of the U.S. toy retailer Toys 'R' Us. Bush arrived in Osaka earlier in the day for a four-day visit.

The Kashihara store is the second of Toys 'R' Us, following the first, which opened in December, 1991, near Tokyo.

Originally, Watanabe and Mosbacher were not to meet until bilateral talks in Tokyo on Wednesday.

The hastily arranged meeting in the Kashihara store will deal with bilateral disputes over automobile trade, government procurement of computers, and other trade issues expected to be addressed in the action plan, to be released at the conclusion of summit talks Thursday, the officials said.

Stress on Global Politics Urged

OW0701123492 Tokyo KYODO in English 1226 GMT 07 Jan 92

[Text] Tokyo, Jan. 7 KYODO—Prime Minister Kiichi Miyazawa was advised by several of his predecessors Tuesday to focus on global issues in his talks with U.S. President George Bush, rather than on automobiles and other specific trade issues, party and government officials said.

"Automobiles and other individual trade issues have been given too much attention," former Prime Minister Yasuhiro Nakasone was quoted as telling Miyazawa.

Nakasone advised Miyazawa to concentrate on U.S. policies toward Asia and macroeconomic issues in the talks with the U.S. President scheduled for Wednesday and Thursday.

Former Prime Minister Noboru Takeshita echoed Nakasone and added Japan and the United States must strengthen their bonds.

It is customary for prime ministers to meet their predecessors, who assume the role of senior advisers to the ruling Liberal Democratic Party, prior to attending major diplomatic events.

Miyazawa said he hopes Japan would be able to help the United States out of its economic doldrums and also promote steady development of the world economy.

"We received a great deal of assistance and cooperation from the United States in the past. Now, with the U.S. facing financial difficulties, Japan must provide cooperation and aid to the best of its ability," Miyazawa was quoted as telling the senior party advisers.

Miyazawa cited passage of a bill that would enable Japanese soldiers to join in U.N. peacekeeping activities during the parliamentary session scheduled to open later this month and promotion of political reforms as his legislative priorities.

Also attending the meeting were former Prime Ministers Sousuke Uno, Zenko Suzuki, Takeo Fukuda, and former Speaker of the House of Representatives Hajime Tamura.

Efforts To Help U.S. Viewed

OW0701155592 Tokyo NHK General Television Network in Japanese 1200 GMT 7 Jan 92

[Interview with Foreign Minister Michio Watanabe by newscaster Tadashi Sonoda from the "NHK News 21" program; place and date not given—recorded]

[Text] [Sonoda] So far, we have explained the existing conditions [of Japanese-U.S. frictions]. But then, how does the Japanese Government intend to respond to the demands of the United States? I have asked Foreign Minister Watanabe about Japan's responses.

[Sonoda] While President Bush is visiting Japan, it appears the United States wants to make economic demands on Japan of the greatest magnitude ever. In connection with the pending auto issue, has the Japanese Government's response to the question of importing finished cars and purchasing auto parts been finalized?

[Watanabe] Well, roughly. It has been finalized in general. The Ministry of International Trade and Industry [MITI] has tried to persuade the industry very earnestly, and the people within the industry have agreed to do what they can. They have agreed to do the best they can. They have agreed to increase the imports of auto parts. They will, of course, increase imports of finished cars produced by their own plants. In terms of cars produced by U.S.-invested companies, because there are many auto companies with local sales networks, several thousand of these cars will be sold through such networks. They are doing what they can. I must say this is the maximum possible service.

[Sonoda] Do you think that the government's response will satisfy President Bush?

[Watanabe] Well, to begin with, we must admit that there is cause to resolve this situation; that is, sales of European cars have grown to 100,000 while sales of U.S. cars remain at less then one-third of this figure. We will have to ask them to study this matter, and to study the market here more. This is important. Since the auto industry's top people and other business representatives are here from the United States, they can meet with the private sector people here and hold frank exchanges. They can talk honestly about what they can and cannot do. It is important that they hold these talks. Japan will provide great services—services of the type unheard of in the world. This being the case, I think they should be satisfied.

[Sonoda] But is it not also true that within Japanese industry, which has to provide these services, there exist voices saying that Japan should not go too far to please the United States? What do you have to say about this view?

[Watanabe] To speak about these services, as far as issues such as import license standards are concerned, we have to admit that the rules here are too strict in some aspects. We will correct them to conform to those on the international level. I do not know whether I should call this action a service, but I know it is necessary to remove frictions. If retaliatory actions end up being imposed on exports, protectionism will start to grow. This would greatly impact on Japan's economy. Japan is a country without natural resources. The shrinking of trade would be fatal for the Japanese economy, just as it would be fatal for many manufacturers across the country that depend on exports for their sales. Trade is related to a good economy and the expansion of the domestic market. This being the case, I would like to have the industry people do what they can, and I think this is necessary for coexistence and joint prosperity. People on both sides must live for a long time.

[Sonoda] Will you explain your basic stand in dealing with the forthcoming Japanese-U.S. talks, relating them to the formation of a new Japanese-U.S. relationship?

[Watanabe] Japan and the United States are two countries with the same sense of values: democracy, liberalism, a market economy, a free economy, human rights. It is undesirable that two countries such as these should fail to get along well with each other. They are tied by the Security Treaty. It is basic that such countries should help one another. They need to help each other not only in defense but also in terms of economics. Since the end of the war, Japan has received help in various ways. It received help from the United States in rising out of ruins. Now that the United States is in a difficult position and is having a hard time, Japan should do what it can to help the country. This is the way we will coexist and prosper.

No matter what people say, Japan and the United States are large countries that together hold 40 percent of the world's GNP. If the economies of these two nations go bad, the entire world economy will go bad and fail. The world would fall into recession, and such an occurrence would be the most serious thing that could happen. Therefore, I think it is only natural that Japan should make maximum efforts to help the United States.

Toyota on U.S. Auto Parts Centers

OW0701025292 Tokyo KYODO in English 0228 GMT 07 Jan 92

[Text] Tokyo, Jan. 7 KYODO—Toyota Motor Corp. is planning to set up procurement centers for auto parts in the United States to establish a permanent gateway for purchasing U.S.-made auto parts, company officials said Tuesday.

Toyota will announce the plan at a meeting of Japanese and U.S. senior auto executives in Tokyo on Thursday, the officials said. The U.S. executives are accompanying President George Bush on his visit to Japan.

The plan is expected to be presented along with Toyota's scheme to beef up sales in Japan of automobiles made by General Motors Corp.

Procurement centers will be set up this year in several areas, including Detroit and the West Coast, the officials said.

According to the officials, the project came in response to a strong request from the Japanese Government that the auto industry contribute to easing the trade imbalance between Japan and the United States.

Nissan To Buy More U.S. Auto Parts

OW0701151892 Tokyo KYODO in English 1504 GMT 7 Jan 92

[Text] Tokyo, Jan. 7 KYODO—Nissan Motor Co. said Tuesday it will import a total of 3.7 billion dollars worth of auto parts from the United States in fiscal 1994, up from the 3.3 billion dollars planned initially. The move is in response to the Japanese Government's request to help the struggling American auto industry on the occasion of U.S. President George Bush's visit to Japan, company officials said.

They said Nissan also plans to sell 3,000 U.S.-made passenger cars annually, including those produced by Ford Motor Co., which Nissan has not yet marketed in Japan. Nissan President Yutaka Kume will detail his company's plan when he meets later in the week with U.S. automobile executives accompanying Bush.

According to Nissan officials, the company's new import target for auto parts is nearly triple the amount in fiscal 1990. Of the total, 2.9 billion dollars will be purchased by Nissan's factories in the U.S., while 800 million dollars worth will be directly imported.

The planned annual sales of U.S. cars include 1,500 Ford minivans to be introduced in the American market this fall. Partial design changes such as fitting the steering wheels on the right side for Japanese drivers will take time but should be ready by 1994, the officials said. Nissan also plans to lease some of its showrooms in central Tokyo to the Big Three U.S. automakers, they added.

Kobe Steel on Imports, Exports

OW0701071292 Tokyo KYODO in English 0654 GMT 7 Jan 92

[Text] Tokyo, Jan. 7 KYODO—Kobe Steel Ltd. will improve its balance of imports versus exports and will continue to form joint ventures in line with the latest import-boosting plan of the Ministry of International Trade and Industry (MITI), the company announced Tuesday.

Kobe Steel's contribution to the "business global partnership" plan includes decreasing exports by switching over to overseas production and increasing locally procured goods used at such plants, the company said.

There is also to be a focus on joint ventures such as Kobe Steel's current joint ventures with the American steel company, USX Corp., the company said.

It will also foster technical exchanges, promote local staff in overseas subsidiaries, hire non-Japanese researchers to work at Kobe Steel in Japan, and utilize outside directors as consultants and advisors, the Japanese steel firm said.

The business global partnership plan is part of MITI's strategy of dealing with the criticism of Japan's trade surplus which has burgeoned from 63 billion dollars in 1990 to an estimated 100 billion dollars in 1991.

MITI approached 40 of Japan's major companies, particularly those in the electronics and car industries, to prepare measures to increase imports prior to President George Bush's Japan visit.

Steel Industry on Extending 'Controls' to U.S.

OW0701074292 Tokyo KYODO in English 0733 GMT 07 Jan 92

[Text] Tokyo, Jan. 7 KYODO—A leader of Japan's steel industry said Tuesday Japanese steelmakers are ready to extend voluntary export controls to the United States if Washington asks.

Hiroshi Saito, president of the Japan Iron and Steel Exporters' Association, however, told a news conference that extending voluntary export restraint should be a transitional step pending negotiations for a multilateral steel agreement.

"The U.S. steel industry hopes Japan's voluntary restrictions will be retained, and I see no reason why we have to decline a request (for extension of the regulation) by the U.S. Government," said Saito, who is also president of Nippon Steel Corp.

The regulation on Japanese steel exports to the U.S. is due to expire at the end of March.

The head of the world's largest steelmaker added that he hopes the voluntary export regulation system can eventually be abolished.

Report Analyzes 'Root' of U.S. Auto Problems

OW0701142392 Tokyo KYODO in English 1407 GMT 07 Jan 92

[Text] Tokyo, Jan. 7 KYODO—The conclusion of a recent study by a private U.S. research group that the transplanting of Japanese auto factories to the United States contributes to unemployment may have been reached too "hastily," a Foreign Ministry spokesman suggested Tuesday.

Taizo Watanabe told foreign correspondents that the root of unemployment in the U.S. auto industry could lie elsewhere, deriving from the economic recession in the U.S. or from the general process of industrial modernization.

Watanabe said the conclusions of the interim report of the Washington-based Economic Strategy Institute, which is led by former U.S. trade negotiator Clyde Prestowitz, on the relation between the transplanted auto industry and unemployment "should be looked into more carefully."

"It is sometimes too hastily concluded that it is only because of Japanese exports that some (American) jobs are lost," he said.

The report calculated that the displacement of imports by transplanted manufacturing facilities generates 41,154 jobs per million units of cars.

This, however, is exceeded by an estimated loss of 124,355 jobs resulting from the displacing of domestic car production, creating a net loss of 83,201 jobs, it said.

Watanabe noted that many Japanese companies are investing in small- and medium-scale enterprises in the U.S. in which job opportunities are increasing, as opposed to large-scale enterprises where job opportunities are decreasing due to the process of modernization.

Nissan Diesel To Up Imports, Local Procurement

OW0701081492 Tokyo KYODO in English 0807 GMT 07 Jan 92

[Text] Tokyo, Jan. 7 KYODO—Nissan Diesel Motor Co. announced Tuesday it will increase imports and local procurement of auto parts and materials in fiscal 1994 to a total of 17 billion yen, up from 13.4 billion yen in fiscal 1990.

According to the company's "business global partnership" program, imports will expand to 10 billion yen in fiscal 1994 from fiscal 1990's 6.44 billion yen.

Local procurement of auto parts and materials is expected to rise to 7 billion yen in fiscal 1994 from 6.96 billion yen in fiscal 1990, the program said.

U.S.-made auto parts, including aluminum casting, tires and glass will be among the primary products purchased. Foreign-made machinery and materials for research and development will also be procured, it said.

Imports from the U.S. will increase to 3.5 billion yen in fiscal 1994 from fiscal 1990's 2.9 billion yen, company officials added.

Chief Cabinet Secretary on Korean Developments

OW0701034892 Tokyo KYODO in English 0334 GMT 07 Jan 92

[Text] Tokyo, Jan. 7 KYODO—Japan on Tuesday lauded a North Korean pledge to sign a nuclear safeguards accord unconditionally and accept nuclear inspections, and said the relaxation of tensions on the Korean peninsula will have a positive impact on Japan's defense planning.

Chief Cabinet Secretary Koichi Kato also welcomed South Korea's decision to cancel this year's joint military exercises with the United States in response to the North Korean move.

The new developments are a "big step toward relaxing tension in North Asia...And will have a positive impact on Japan's defense policy," Kato said at a regularly scheduled news conference.

Kato said he expects the changing situation to be a consideratеon in revising midterm defense plans.

The government decided last month to revise the 1991-1995 defense program this year, instead of in 1993 as planned.

On Monday, Chon In-chan, Pyongyang's ambassador to the United Nations in Vienna, told Hans Blix, director general of the International Atomic Energy Agency (IAEA), that North Korea would sign the nuclear safeguards accord on January 29 or 30, UN sources said.

South Korea's Defense Department responded Tuesday by announcing it would cancel the annual "Team Spirit" military exercises with the United States this year.

Defense Agency Director General Sohei Miyashita said South Korea's decision to cancel this year's military exercise with the United States reflects the advancement of the dialogue between Seoul and Pyongyang.

He welcomed the move, saying it would be a favorable influence to the Korean peninsula situation.

Miyashita said, however, the cancellation would not directly lead to reviewing Japan's defense policy.

Foreign Ministry Spokesman Taizo Watanabe told foreign correspondents that Pyongyang's conclusion of an IAEA nuclear safeguards agreement "would definitely have a positive effect" on negotiations underway between Tokyo and Pyongyang on normalization of ties.

He said the latest North Korean move, considered alongside the recent signing by Pyongyang and Seoul of a draft joint declaration on denuclearization of the Korean peninsula, "is a large step forward."

Watanabe urged North Korea to quickly follow up on its announcement "with concrete and complete implementation of measures" and to also "make it clear that they are not going to be in possession of (uranium) reprocessing facilities." The spokesman also called for the early conclusion and implementation of the North-South joint declaration.

Tokyo, S. Africa To Set Up Diplomatic Ties

OW0601053992 Tokyo KYODO in English 0446 GMT 6 Jan 92

[Text] Tokyo, Jan. 6 KYODO—Japan and South Africa will exchange diplomatic notes next week establishing full diplomatic relations and paving the way for the dispatch of ambassadors to each country, government sources said Monday.

Japan currently has a consul general to Pretoria but does not have full diplomatic ties with South Africa in protest of the country's racial discrimination polices.

But in October, Japan moved closer to setting up full diplomatic relations with Pretoria when it lifted economic sanctions against South Africa in response to the country's "continued positive movement in the direction of establishing a democratic system free of racial discrimination."

After normalizing diplomatic relations, Japan will strengthen economic relations with South Korea and will step up preparations for a possible Japan visit early this year by South African President F.W. de Klerk, the sources said.

SDP Chairman Tanabe Previews Asian Tour

OW0701101592 Tokyo KYODO in English 0944 GMT 07 Jan 92

[Text] Tokyo, Jan. 7 KYODO—Social Democratic Party (SDP) Chairman Makoto Tanabe will start Friday an eight-day official tour of China, Thailand, and Cambodia, party officials said Tuesday.

Tanabe will lead a 12-member delegation which will include Kosuke Uehara, foreign minister of the party's shadow cabinet, the officials said.

Tanabe stressed the party's commitment to the Asia-Paicfic region at a delegation meeting Tuesday, saying "we should play a role in helping restore the war-torn Cambodia economically and politically."

The SDP leader said he also hopes to learn from government officials how Japan can contribute to the international community in areas such as United Nations peacekeeping missions, they said.

In China, Tanabe will meet Chinese Communist Party General Secretary Jiang Zemin, Premier Li Peng and other leaders.

He is scheduled to meet Cambodian leader Prince Norodom Sihanouk on January 14, two days before arriving in Bangkok for talks with Thai Prime Minister Anan Panyarachun, they added.

Shift to 'Open Management' System Advocated

OW0701072292 Tokyo KYODO in English 0710 GMT 07 Jan 92

[Text] Tokyo, Jan. 7 KYODO—An influential business organization appealed to Japanese corporations Tuesday for a shift to open management to keep pace with the changing society.

The Japan Association of Corporate Executives (Keizai Doyukai) said the appeal is designed to remove the demerits of Japan's unique management philosophy, which tends to exclude the outside world.

The appeal said the Japanese management system has merits, such as employment security, but at the same time has demerits, which tend to drive corporations to take what it called unsocial actions.

It called on corporations to draw up an action program aimed at establishing a fair, just and transparent management system compatible with international standards.

The association proposed that corporations inaugurate an in-house management advisory panel composed of outsiders, including youths, women, foreigners and elderly people.

LDP Member Abe Received 'Funds' From Kyowa

OW0501143292 Tokyo KYODO in English 1416 GMT 05 Jan 92

[Text] Tokyo, Jan. 5 KYODO—Fumio Abe, former director general of the Hokkaido and Okinawa Development Agency and a close ally of Prime Minister Kiichi Miyazawa, received some 500 million yen from a former vice president of now-bankrupt Kyowa Corp., informed sources said Sunday.

Kyowa Corp. was a steel-frame maker allegedly involved in making bogus steel deals.

Abe is a member of the House of Representatives and former secretary general of Miyazawa's faction within the ruling Liberal Democratic Party (LDP).

The sources said that sometime before the October LDP presidential election, Abe demanded election funds from Goro Moriguchi, Kyowa's former vice president.

Abe had deepened relations with Kyowa several months before he became chief of the agency in August 1989, the sources said. He assumed the Miyazawa faction's general secretary post in April of last year.

Elected from the No. 3 constituency in Hokkaido, Abe asked Moriguchi for political funds, saying they were needed to elect a prime minister and LDP president from the Miyazawa faction, the sources said.

Moriguchi provided some 500 million yen and expected some return in the form of resort development projects in Hokkaido, they said.

Abe resigned as secretary general of the faction in December following reports that he received large amounts of money from Kyowa.

Kyowa went bankrupt in November with a debt of some 200 billion yen.

Five people, including Moriguchi, are currently facing trial at Tokyo District Court in a 6.8 billion yen fraud case involving the company. The defendants allegedly conspired to defraud two trading companies by setting up bogus steel deals.

Prosecutors have reportedly questioned Abe supporters and aides in Hokkaido in connection with questionable political donations.

'Demanded Hush Money' From Kyowa

OW0701150992 Tokyo KYODO in English 1444 GMT 07 Jan 92

[Text] Tokyo, Jan. 7 KYODO—Former Cabinet member Fumio Abe apparently demanded hush money from Kyowa Corp. officials when asked to cover up their alleged scheme to defraud two trading companies through bogus steel deals, informed sources said Tuesday.

Abe, former head of the Hokkaido and Okinawa Development Agencies and a close ally of Prime Minister Kiichi Miyazawa, is suspected of having received some 500 million yen from Kyowa after being asked to be quiet when the fraudulent deals were first detected.

Kyowa, with financing from major trading house Marubeni Corp., had planned to develop a number of golf courses and resort areas in Hokkaido, northern Japan.

An internal investigation by Marubeni revealed the swindle by Kyowa of Marubeni's steel project operations division began around May 1988, according to the sources.

The Marubeni division canceled its project with Kyowa and indicated it would insist on recovering the lost amount.

By May 1989, Kyowa had not made any progress in repaying the amount and about that time, then Kyowa Vice President Goro Moriguchi asked Abe not to reveal the incident.

Abe then got former Management and Coordination Agency Chief Jun Shiozaki to intercede and in June, Shiozaki called on Marubeni Chairman Kazuo Haruna on behalf of Kyowa.

Abe, who only introduced Shiozaki to Kyowa but had little influence, received tens of millions of yen from Moriguchi, including a gift of "thank you money" for Shiozaki.

Marubeni halted transactions with Kyowa since it opposed Kyowa's plans to use Shiozaki as a mediator and formed its own team to recover the swindled money.

After Kyowa's request, Abe began to demand election funds from Moriguchi for the Miyazawa campaign and his own plans for the cabinet.

Abe is a member of the House of Representatives from Hokkaido and former secretary general of the Miyazawa faction within the ruling Liberal Democratic Party.

Abe has maintained that he received "only" 100,000 yen per month from Kyowa, while the Shiozaki office has said that although the legislator visited Marubeni, he has received no money from Kyowa.

Moriguchi and four others are currently facing trial at the Tokyo District Court in a 6.8 billion yen fraud case involving Kyowa.

North Korea

Ministry Announces Intention To Sign N-Accord

SK0701020092 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 7 Jan

[Statement issued by unidentified DPRK Foreign Ministry spokesman on 7 January on the issue of nuclear inspection—read by announcer]

[Text] Proceeding from the lofty mission and ideal of the Nuclear Nonproliferation Treaty, the government of the Republic put forward a proposal to make the Korean peninsula a nuclear-free zone and has consistently tried to achieve this. Completely withdrawing U.S. nuclear weapons from South Korea and thus completely eliminating the U.S. nuclear threat against us has been the principled position to which we have consistently adhered in connection with nuclear inspection.

Under circumstances in which all of the Korean peoples' intention and desire for turning the Korean peninsula into a nuclear-free zone are growing, the South Korean authorities announced some time ago that there are no nuclear weapons in South Korea. They finally responded to accepting a joint declaration on turning the Korean peninsula into a nuclear-free zone, which we had put forward a long time ago.

People all over the world have raised their voices to call for complete withdrawal of nuclear weapons from South Korea. Under these circumstances, the United States expressed through various channels its welcome of the South Korean authorities' declaration that there are no nuclear weapons in South Korea.

Now, all of the Korean people, as well as the world's peace-loving people, are truly glad that the issue of nuclear weapons on the Korean peninsula can be finally and justly resolved through our principled stance and sincere efforts. This again shows that our principled stance on a nuclear inspection has been just.

Now that the circumstances and conditions for impartially solving the nuclear issue on the Korean peninsula have matured, the government of the Republic has decided to sign the nuclear safeguards agreement in the near future, to ratify it according to legal procedures at the earliest date, and to receive inspection at the time when an agreement is reached with the International Atomic Energy Agency [IAEA].

The government of the Republic has decided to officially inform the IAEA of our stance.

In the future the government of the Republic, by sincerely discharging its duties required by the Nuclear Nonproliferation Treaty, will positively contribute to completely eliminating nuclear weapons on earth and to the cause of defending peace in Asia and the rest of the world.

[Dated] 7 January 1992, Pyongyang

Bush's Remarks on Forces in South 'Unpardonable'

SK0701104992 Pyongyang KCNA in English 1029 GMT 7 Jan 92

["Unpardonable Challenge to Korean People's Desire for Peaceful Reunification"—KCNA headline]

[Text] Pyongyang January 7 (KCNA)—U.S. President Bush who toured South Korea let loose unpardonable blasts during his "inspection" of U.S. military bases in the central sector of the front and in Seoul on January 6, according to radio reports from Seoul.

He insolently blared that "the North should bear in mind" the fact that the U.S. Forces will continue to be present in South Korea and that the reunification of the Korean peninsula should be achieved by a "democratic state" based on "freedom" and "market economy."

According to reports, Bush made not a few remarks during his tour of South Korea. Among them were honeyed remarks and bluffs.

His outbursts during the inspection of U.S. military bases, among other things, fully revealed what criminal aim he sought in his trip to South Korea this time.

By the argument that reunification should be achieved by a "democratic state" based on "freedom" and "market economy" he meant German-style "unification through absorption."

This openly revealed the criminal attempt of the U.S. to extend its neo-colonialist domination system in South Korea to the northern half of Korea. And his talk about the continued presence of U.S. Forces in South Korea suggested that it would back the puppets with strength in "unification through absorption."

This is, in the real sense of the word, a heinous challenge to our people's desire for reunification.

The U.S. President openly uttered such insolent remarks at a time when the desire for reunification was growing unusually fervent among the 70 million fellow countrymen on the threshold of the effectuation of the "Agreement on Reconciliation, Nonaggression, Cooperation and Exchange between the North and the South" which was adopted at the fifth inter-Korean high-level talks and the "Joint Declaration on the Denuclearization of the Korean Peninsula" which was initialed at the contact on delegates of the North and the South. This shows that the United States does never want peace and peaceful reunification of the Korean peninsula but is goading the puppets as ever into moves for northward invasion.

Bush must realize that trying to apply the mode of "unification through absorption" even to the Korean peninsula is the daydream of a megalomaniac.

He must also bear in mind that acts of challenge against our 70 million fellow countrymen's desire for peaceful reunification would touch off stronger anti-American sentiments among the South Korean people.

Lack of Change in U.S. Policy 'Very Regrettable'

SK0701151692 Pyongyang Korean Central Broadcasting Network in Korean 1150 GMT 7 Jan 92

[Commentary by station commentator Kim Kyong-pok: "In Pursuit of an Outdated Policy"]

[Text] U.S. President Bush came to South Korea for his 5-7 January junket.

During his stay in South Korea, he held what is known as summit talks, a press conference, and even delivered a policy speech at the puppet National Assembly.

Many people hoped that he would behave reasonably in conformity with the trends of the times since he came to South Korea at a time when the confrontational relations between the East and West have broken down and potential exists for opening a favorable phase of peace and peaceful reunification of the Korean peninsula. This potential comes following the adoption and announcement of the North-South agreement that was created on the Korean peninsula,

We have, however, failed to observe in his remarks any change in U.S. policy toward Korea. We find it very regrettable.

While stating that he supports the North-South agreement, he said he will keep U.S. troops stationed in South Korea and reconfirmed and stressed the U.S. commitment to South Korea's defense.

Since the North and South have mutually committed themselves to nonaggression through the North-South agreement, the U.S. troops and their military equipment that are stationed in South Korea under the pretext of what is called a southward invasion should be naturally withdrawn. The so-called U.S. commitment to the security of South Korea has also lost its justification.

In spite of this, the United States intends to keep its aggression troops stationed in South Korea and to enforce its war policy under the pretext of security. This shows that the United States, while still approaching the Korean question on the stand of strength, pursues as yet the old-fashioned policy of the past era. It also contradicts the U.S. claim that it welcomes the North-South agreement.

Bush has failed to clarify whether the nuclear weapons deployed in South Korea have been withdrawn or not, which he should have clarified during his junket to South Korea.

The United States, which has kept putting unjust and unilateral pressure on us with regard to nuclear inspections, keeps playing hide-and-seek concerning its nuclear weapons in South Korea. This is an expression of arrogance and it cannot be construed other than a mockery of public opinion.

Moreover, since the person in authority in South Korea has recently announced that not a single nuclear weapon exists in South Korea, and since the joint declaration between the North and South on denuclearizing the Korean peninsula has opened a road to an impartial settlement of the nuclear issue on the Korean peninsula, the United States—which controls the management, use, and withdrawal of nuclear weapons deployed in South Korea—bears an unavoidable duty to clarify its stand on this issue.

The U.S. attitude proves that it has no intention to really solve the nuclear issue on the Korean peninsula and that it has sought to achieve some other goal behind the commotion over nuclear inspection.

Bush went so far as to make remarks amounting to interference in the internal affairs of our country by provoking us with human rights issues during his junket to South Korea.

While describing South Korea, a fascist colonial society, as if it were some sort of a free world, he even dared advise us on which direction we should follow after branding us authoritarian. What can be more brazen-faced and preposterous?

Every man is completely guaranteed of his rights in our country's socialism centered on the popular masses where the popular masses are the masters of everything in society and everything serves the popular masses. Our people are convinced that the unique socialism of our own style which they have built on the road of their own choice, on their own, in a way that corresponds to realities of our country is the most superior socialist system that provides them with an independent and creative life.

To speak of a place where human rights are most mercilessly trampled underfoot is none other than the regions like the United States and South Korea where imperialists rule.

It is widely known that the trampling of human rights is at its worst in South Korea by the ruling clique of the Sixth Republic, far exceeding the abuse of human rights during the eras of the Yusin dictatorial and the Fifth Republic, which are synonymous with suppressive rule, in terms of scope and cruelty and methods employed for that purpose. If Bush is interested in human rights, he should have picked a fight on this fact before anything else.

At a time when we are about to solve reconciliation, peace, and the reunification question among our people following the adoption of the North-South agreement, Bush flew into South Korea and heaped on monologues proceeding from the old-fashioned way of thinking. This is an insult to our people and a challenging act trampling underfoot the spirit of the North-South agreement.

In view of Bush's acts and words, the U.S. imperialists' wild ambitions to pursue a policy of aggression and war while straddling South Korea as a colony and military base to break asunder our socialist system by persuading us into opening have not changed a bit.

However, they should clearly realize that their insidious scheme can never succeed. Even the South Korean ruling clique should act according to the dictates of their reasoning ability.

It is an intolerable betrayal and treachery to act against the spirit of the agreement in collusion with an outside force soon after signing the agreement.

The persons in authority in South Korea should free themselves from the line of depending on an outside force and take the road of sincerely effecting the agreement.

Daily Calls U.S. 'Chieftain of Aggression'

SK0401104392 Pyongyang KCNA in English 1007 GMT 4 Jan 92

["NODONG SINMUN on U.S. Imperialists' Bellicose Nature"—KCNA headline]

[Text] Pyongyang January 4 (KCNA)—Though the U.S. imperialists are waxing eloquent about "peace", "disarmament" and "detente", they cannot veil their true color as the chieftain of aggression and war and as the disturber of peace, says NODONG SINMUN in a by-lined article today.

The "new world order" doctrine and the "new state strategy" put forward by Bush reveal the U.S. imperialists' aggressive design, the article says, and continues:

The United States is trying to coordinate and settle all the international problems with strength in their favor and establish an "order" of its domination in the whole world.

Taking advantage of the destruction of the balance of forces in the international arena, the United States continues pursuing the strategy of strength, openly advertising a shameless concept of world supremacy.

While trumpeting about the U.S. forces' "fulfilment of international role" and "technical superiority", it is further reinforcing its aggression armed forces qualitatively and increasing the number of the nuclear weapons.

What it seeks is to gain military hegemony with nuclear preponderance and dominate the world, resorting to big-power arbitrariness.

The U.S. imperialists' bellicose nature has been brought into bolder relief by the fact that they have openly committed armed intervention in other countries and created greater danger of war.

After the Perusian Gulf war they are overtly seeking to dominate the world more arrogantly by means of military adventure. They regard Korea as the first target in this.

They have promised to keep their troops in forward areas of South Korea and "protect South Korea with nuclear umbrella". They scrapped the program of reduction of the South Korea-based U.S. forces and are bringing into South Korea new sophisticated arms and crack units under the pretext of the DPRK's "nuclear development".

The U.S. imperialists are resorting to unjustifiable pressure, threat and blackmail from the position of strength to force us to accept a nuclear inspection.

Such moves of the United States have rendered the situation all the more strained on the Korean peninsula.

Noting that the U.S. imperialists are scheming to get their clutches on the main areas of resources and areas of military strategic importance, the article says they are attempting to quickly dispatch huge task forces to Third World countries any time under the pretext of "preventing disputes and contingency" so as to gain military control and domination over those countries.

With no means and method can the U.S. imperialists ever realise their design for world supremacy. The tighter they cling to the policy of aggression and war, the faster it precipitates their crisis and destruction, warns the article.

Negative Reaction in South to Bush's Tour Cited

SK0701055292 Pyongyang KCNA in English 0507 GMT 7 Jan 92

[Text] Pyongyang January 7 (KCNA)—Peasants, organisations and students across South Korea are holding rallies and powerful demonstrations in denunciation of the South Korean trip of U.S. President Bush.

According to a radio report from Seoul, some 150 representatives of the peasants of over 50 counties of South Korea including members of the National Federation of Peasants Associations held a demonstration against the U.S. pressure for rice market opening and Bush's South Korean tour at Yongdungpo Station plaza in Seoul on January 6.

Earlier, representatives of three peasants associations including the National Council of Peasants Associations called at the U.S. Embassy and handed over a statement denouncing the U.S. pressure for rice market opening and Bush's trip to South Korea, and members of a peasants and fishermen's organisation handed in a letter of protest at the U.S. Embassy.

Students of Seoul National University and Songgyungwan University held a rally to denounce Bush's tour and staged a demonstration, burning a U.S. flag.

Students of Hanyang University burnt Bush in effigy and those of Chungang University burnt a model of a U.S. rice bag and American cigarettes.

In another action, students of Chosun and Kyongsang Universities waged an anti-American struggle, holding placards against the visit of Bush and distributing leaflets to citizens.

Also in Pusan, over 500 students in Pusan-South Kyongsang Provincial area held a rally, charging that Bush's South Korean trip is aimed at forcing liberalisation of imports.

Eight students of the National Council of Student Representatives (Chondaehyop) attempted to hand in a letter protesting against Bush's trip at the U.S. Embassy in Seoul, but all of them were whisked away to a police station.

In the letter, the students contended that the flying into South Korea of Bush at a time when four "elections" were forthcoming was motivated by an intrigue to keep the power of colonial domination over South Korea. The one million students of Chondaehyop strongly denounce Bush's trip to South Korea and the flunkeyist diplomacy of the present "regime", they declared.

Chondaehyop and other dissident organisations also issued statements denouncing the U.S. Pressure for market opening.

Yon Hyong-muk Telephones South's Chong Won-sik

SK0701055092 Pyongyang Korean Central Broadcasting Network in Korean 0500 GMT 7 Jan 92

[Text] Comrade Yon Hyong-muk, premier of the DPRK State Administration Council, sent a telephone message to Chong Won-sik, South Korean prime minister, today.

The message points out the following:

In the contacts between delegates of the North and the South to discuss the nuclear issue, both sides agreed to exchange on 14 and 21 January the joint declaration documents on denuclearization of the Korean peninsula signed by both sides' premiers.

I will send one of our side's delegates to the North-South high- level talks and his suite member at 1500 on Tuesday, 14 January, to the conference room of the Neutral Nations Supervisory Committee in Panmunjom.

I hope that your side will take a corresponding step.

South Announces Discontinuation of Team Spirit

SK0701090992 Pyongyang Korean Central Broadcasting Network in Korean 0800 GMT 7 Jan 92

[Text] South Korea and the United States have announced that they would discontinue the Team Spirit joint military exercise.

According to a broadcast report from Seoul, the South Korean Defense Ministry, the South Korean-U.S. Combined Forces Command, and the U.S. Defense Department jointly announced today that they would discontinue this year's Team Spirit joint military exercise.

As is known, for the past 16 years, we have strongly asked the South Korean side and the U.S. side to discontinue the Team Spirit joint military exercise, a preliminary war and test nuclear war for northward invasion, to end military confrontation on the Korean peninsula, guarantee peace, and provide preconditions for peaceful reunification.

Daily on 'Feverish' Election Activities in South

SK0601061592 Pyongyang KCNA in English 0536 GMT 6 Jan 92

["No Flower Blooms on Rotten Tree"—KCNA headline]

[Text] Pyongyang January 6 (KCNA)—NODONG SINMUN today comments on the feverish activities of the South Korean rulers with the approach of the "National Assembly election", "election of chiefs of basic autonomous bodies and chiefs of autonomous bodies of large cities and provinces" and "presidential election" scheduled this year.

No Tae-u, the analyst says, is prattling that the forthcoming "elections" must be "fair." But, whenever an "election" drew near in South Korea, the successive rulers cried for "a fair election" or "a clean election," while launching a campaign of "intensive roundup" and "eradication".

The puppets' slogans of "fair election" are, without exception, a camouflage to cover up the truth behind terroristic "election" and "power-backed election" for faking up the "election" of their clan with the mobilization of all repressive tools and forces.

The current "intensive roundup" campaign started by the puppet prosecution and "home ministry" with their sleeves rolled up cannot be an exception. "Would-be national assemblymen" of the "Democratic Liberal Party" busily ran about, sending envelopes of money to canvassers and voters even amidst this "strict roundup" and hosting feasts for them around the new year, unhindered. And leading members of the "administration" started an prior "canvassing" under the pretext of "hometown visit." A fair election cannot be expected any time as long as the present anti-popular legal and institutional mechanism is left intact.

"Clean election" advertised by the South Korean rulers is as nonsensical as expecting a rotten tree to blossom.

"Candidates of national assemblymen" are those making desperate efforts to grab seats in the "National Assembly" by any at all costs in a wretched lot, rejected and forsaken by the South Korean people. How can a clean election be expected?

There can never be a clean election in such fascist society as South Korea where the bayonet itself is the "order" and "law", in the corrupt and ailing South Korean society where irregularities and swindles hold sway.

Daily Praises Kim Il-song's Reunification Policy

SK0301143892 Pyongyang Korean Central Broadcasting Network in Korean 0013 GMT 3 Jan 92

[NODONG SINMUN 3 January editorial: "The Entire Nation Should Open a Decisive Phase for Reunification of the Country"]

[Text] In his historic New Year address, the great leader Comrade Kim Il-song, after summing up the great headway made in last year's struggle to realize the cause of national reunification, announced policies and tasks designed to open a decisive phase in settling the question of national reunification within this year.

Proposing that the North and South realize national reunification at an early date by sincerely effecting the North-South agreement on the basis of the three principles for national reunification in conformity with the entire population's desire and the expectations of the world's people, the great leader Comrade Kim Il-song particularly stressed the need to adhere to the independent stand in effecting the agreement and in realizing the cause of national reunification.

The great leader Comrade Kim Il-song stated also that the important question that must be solved in realizing national reunification on a priority basis is to create a precondition for peaceful reunification. He elucidated important tasks that the North and South must immediately fulfill toward this end and especially stressed the need for the countries concerned to respect the spirit of the North-South agreement and to take the stand of positively helping our people solve the question of national reunification independently and peacefully.

Also, after saying that achieving great national unity is the key to realizing national reunification, the great leader Comrade Kim Il-song presented tasks to be fulfilled by the Korean people. He said that they must put the nation's common interests above all and must subordinate everything to these interests; they must unite in the spirit of patriotism and national independence, irrespective of differences in ideology, political views, and religious beliefs; and they must make a contribution to the cause of national reunification, a contribution comensurate with one's environment and conditions.

The policy on national reunification and tasks to be fulfilled for that purpose presented by the great leader Comrade Kim Il-song in his New Year address are the patriotic banner and programmatic guidelines for the solution to the question of national reunification. They reflect the chuche-oriented view of the nation that all the people in the country should defend and realize national independence in unity. They have crystallized the entire population's firm will to solve the question of national reunification on the nation's own initiative, devoid of interference from outside forces.

Our compatriots from all social strata in the North and South and abroad are now warmly supporting and welcoming the policy of national reunification stated by the great leader Comrade Kim Il-song in his New Year address. They are renewing their resolve to launch the movement for national reunification more vigorously this year with new faith and courage.

The policy on national reunification explained by the great leader Comrade Kim Il-song in his New Year address is the most reasonable and practical program for realizing national reunification based on his insight into the successes attained by our people in the movement for national reunification and into the changed realities in North-South relations.

As evidenced by the struggle of the South Korean youth, students, and people for independence, democracy, and reunification carried out last year despite the difficulties caused by the continued oppression and suppression of the South Korean authorities, as well as by the pan-national reunification movement that surged ahead thanks to the active participation by the overseas compatriots, the trend of national history moving toward realizing an independent anti-U.S. reunification, toward an alliance with communism, not anticommunism, and the trend of contributing to reunification have become harder to stop.

With the North and South adopting last year the agreement on reconciliation, nonaggression, and cooperation and exchange, our people have come to another milestone on the road leading to national reunification, along with the 4 July joint statement.

All these successes attained last year are the fruition of the wise guidance provided by the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il. These two, after presenting the most reasonable and practical lines for national reunification and peace programs brimming over with the spirit of national independence and patriotism, have committed themselves to their realization. These successes last year are a brilliant victory of our party's lines for great national unity. Our party summoned the compatriots from all social strata at home and abroad to the movement of the 1990's for national reunification, irrespective of their political and religious views and their past.

The policy on national reunification clarified in the New Year address reflect the firm will of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il who are determined to provide our people with a peaceful, reunified fatherland by consolidating the successes attained in the reunification movement and by taking advantage of the prevailing favorable conditions.

The policy on national reunification stated by the great leader Comrade Kim Il-song in his New Year address is a programmatic guideline for solving the question of peace in the nation and its reunification, reflecting in full as it does the principles and ways that must be adhered to in effecting the North-South agreement.

The great leader Comrade Kim Il-song taught in his New Year address: The North and South should hasten national reunification at an early date by sincerely effecting the North-South agreement on the basis of the three principles for national reunification in conformity with the all the people's desire and expectations of the people of the world.

Consistently evident in the North-South agreement are the three principles for national reunification—independence, peaceful reunification, and great national unity—as well as our party's lines on independence, peace, and reunification.

The adoption of the agreement can be said to have opened an epoch-making turning point in ending the state of acute political and military confrontation that has continued in our country for nearly half a century, in achieving national reconciliation and unity based on mutual confidence, and in the struggle to realize peace in the country and its reunification.

In particular, the fact that the North and South have committed themselves to nonaggression and confirmed their common will to settle the nuclear issue on the Korean peninsula amounts to a new breakthrough in removing the acute tensions between the North and South, in preventing the danger of nuclear war, and in ensuring lasting peace in the nation.

This year marks the 20th anniversary of the publication of the 4 July joint statement. When the North and South value and sincerely effect the joint statement centered on the three principles of independence, peaceful reunification, and great national unity and the recently adopted agreement, it will lead to opening a new phase of peace in the nation and its reunification and a great turning point in the struggle for realizing national reunification before the 1990's end.

As explained by the great leader Comrade Kim Il-song in his New Year address, an independent stand is a basic stand that must be firmly held in effecting the North-South agreement and in realizing the cause of national reunification.

Our people's struggle for national reunification is a struggle to end the division and domination that an outside force forced on us and to realize national independence. So, the independent stand is a point from which to start the struggle for national reunification.

Because the North-South agreement is a North-South joint document of agreement embodying, from start to finish, the principle of national independence, how great a vitality it may demonstrate in opening the door to national reunification will depend on how faithfully the North and South adhere to the principle of national independence.

Anyone who is determined to contribute to national reunification should resolutely reject the idea of depending on an outside force, take the independent stand, and adhere to the stand of national independence, relying on the nation's independent force rather than trying to depend on the outside force responsible for the division.

The South Korean authorities should actively support and encourage the patriotic people pining to achieve an independent reunification of the country against an outside force by becoming the master of their own fate, and should stop such activities as suppressing them.

As emphasized by the great leader Comrade Kim Il-song in his New Year address, the important question that must be solved before anything else in realizing national reunification is to provide a precondition for peaceful reunification.

To ensure peace on the Korean peninsula is the most pressing question that the North and South must solve before anything else for an independent and peaceful reunification of the country.

Only when the peace question is solved at an early date in our country, over which the danger of war constantly hangs, will it be possible to rescue the nation from the danger of a nuclear war. Only when the North and South withdraw their hidden swords and remove the state of military confrontation can they be reconciled with each other and successfully realize multifaceted cooperation and exchange on the basis of mutual confidence.

To ensure peace on the Korean peninsula also corresponds to the global trend moving toward independence and peace.

Since the North and South have hammered out an agreement on nonaggression, nothing is more important than to take practical measures to ensure peace on the Korean peninsula and to create a precondition for peaceful reunification.

The North and South should make every possible effort to realize arms reductions, to ease tensions, and to turn the Korean peninsula into a nuclear-free peace zone, as has been agreed.

As an expression of their will to keep their promise on nonaggression and of their will to ensure peace, the South Korean authorities should immediately take measures for discontinuing the Team Spirit joint military exercise, which the people at home and abroad watch with great concern.

Historically, the question of Korea's reunification is associated with international relations. So, the implementation of the North-South agreement for peace in Korea and its reunification needs cooperation from the countries concerned.

Since the North and South have made at home and abroad a firm commitment to settle for peace in the country and its reunification on the strength of the nation through this historic agreement, the countries concerned should respect the spirit of the North-South agreement and actively help our people so that they can resolve the reunification question independently and peacefully.

Today, the East-West confrontation has collapsed, and our nation's aspirations for peaceful reunification have grown on an unprecedented scale. So, treating the Korean problem with an outdated view based on the position of strength that prevailed in the cold war era is an anachronistic way of thinking. Moreover, committing such arrogant and uncourteous acts as pressuring us on the nuclear inspection issue is intolerable.

As is well known in the world, turning the Korean peninsula into a nuclear-free peace zone is our consistent position. We have clearly stated on many occasions that we have neither the intention nor the ability to develop nuclear weapons and that we are willing to receive nuclear inspection if fairness is ensured.

Our people, who consider national dignity and independence more valuable than their lives, do not utter empty talk. Not doing what we should do or doing what we should not do under someone else's pressure is unthinkable. No country has the right to infringe on another country's independence in today's international community. All countries, large or small, are equal, and the larger they are, the more faithful they should be to the principle of international justice and equality.

If any country recklessly imposes its unjust demand on another country merely because it is a superpower, this is a challenge to the world's people who defend independence, and this country will face a counterattack and be held responsible in history for unpredictable consequences that may arise from it.

The great leader Comrade Kim Il-song's New Year address is an encouraging banner that vigorously inspires our fellow countrymen in the North and South and overseas into a sacred struggle for the fatherland's reunification. During his speech, the great leader Comrade Kim Il-song stressed that achieving great national unity is a basic guarantee for the fatherland's reunification, because the main forces of the fatherland's reunification are all the Korean people. He also presented the Korean people the militant task of giving priority to the nation's common interests and to achieving unity based on love for the fatherland and on the spirit of national independence after transcending difference in ideaology, political views, and religious beliefs.

The fatherland's reunification is our nation's cause of independence, and our nation's independent force is what can achieve the fatherland's reunification. Our fellow countrymen must be united into one if they are to fulfill their duty and role as the main forces of the fatherland's reunification.

The might of chuche is that of unity. If all the fellow countrymen achieve harmony and are united into one, this will lead to the fatherland's reunification, for which our people hope.

Great national unity cannot be achieved with words. Rather, it can be achieved and consolidated when all the fellow countrymen achieve the consensus of will and power and take unified action in the struggle for the fatherland's reunification.

During his New Year address, the great leader Comrade Kim Il-song again presented the policy that those who have power must contribute to the cause of the fatherland's reunification with power, that those who have knowledge must do so with knowledge, and those who have money must do so with money. This is a programmatic guideline on patriotic action that integrates all Korean people who want to become genuine patriots and fighters into a grand front for national reunification and inspires them into a pan-national movement for reunification and patriotism. All the Korean people must rise up in hearty response to this program for patriotic action.

The authorities are burdened with heavy responsibility for achieving great national unity. In the spirit of the North-South agreement, which was adopted recently, the authorities in the North and South must fulfill their responsibility and duty for the nation by tearing down the nation's internal barrier, removing misunderstanding and mistrust, developing broad-based dialogue and multi-faceted cooperation and exchange, and satisfactorily implementing the North-South agreement by all means.

Achieving reunification through a confederal system based on one nation, one country, two systems, and two governments is a major principle of the fatherland's reunification. When all the Korean people, irrespective of whether they are in the North, South, or overseas, give priority to the nation's common interests and rise up as one to wage a struggle to implement the proposal to achieve reunification based on a confederal system, reunification can be achieved, even though there may be differences in ideas and systems within the nation.

Truly, the proposals for the fatherland's reunification that the great leader Comrade Kim Il-song advanced during the New Year address are an encouraging banner that inspires the entire nation into a grand pan-national march to achieve reunification in the 1990's. They are also a programmatic guideline providing a shortcut for achieving the cause of the fatherland's reunification in the near future. In hearty response to the reunification proposals that the great leader Comrade Kim Il-song advanced during the New Year speech, all the compatriots in the North and South and abroad must make this year a historic year for opening a decisive phase in the fatherland's reunification by further heightening the trend for the fatherland's reunification and by vigorously waging a struggle.

Achieving reunification in the 1990's is certain, because the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il are wisely leading the movement for the fatherland's reunification and because our people in the North and South only know one Korea. Cherishing in their hearts the great leader Comrade Kim Il-song's New Year address and the decision at the 19th Plenary Session of the sixth party Central Committee, all the party members and workers must more vigorously struggle to make great upsurges in socialist construction and to hasten the fatherland's independent, peaceful reunification.

Kim Il-song's Speech 'Shortcut' to Reunification

SK0501094792 Pyongyang KCNA in English 0842 GMT 5 Jan 92

["Most Correct Policy Indicating Shortcut to Reunification in '90s"—KCNA headline]

[Text] Pyongyang January 5 (KCNA)—The policy of achieving the national reunification at an early date by faithfully executing the North-South agreement advanced by the great leader Comrade Kim Il-song in his New Year address is a banner inspiring the whole nation in the nation-wide advance toward reunification in the '90s and a highly important guideline indicating the shortcut to the earliest accomplishment of the cause of national reunification by the internal forces of the nation.

NODONG SINMUN today says this in a signed article.

The article says in part:

When both sides of the North and the South value and faithfully carry out the agreement which was signed with much efforts, a new phase will be opened for peace of the country and its reunification and a great turn made in the struggle for bringing earlier the reunification in the 90s.

Comrade Kim Il-song has said:

"The North and the South must sincerely carry out the agreement on the three principles of national reunification and in line with the desire of the whole nation and the expectation of the people the world over, so as to achieve reunification at the earliest possible date."

The three principles for national reunification—independence, peaceful reunification and great national unity—are the basic principles on which the North and the South should rely in sincerely carrying out the North-South agreement.

The independent stand is a fundamental position which proceeds from the nature of our people's struggle for national reunification.

Those who truly want to dedicate themselves to national reunification should not depend on the outside forces, the chieftain of the division but keep the independent stand of relying on the internal forces of the nation.

The South Korean authorities must not pursue the policy of depending on outside forces which goes against the aspirations and desire of the nation to become the masters of their own destiny and accomplish the cause of national reunification. They must refrain themselves from persecuting the patriotic people who are struggling against the interference of foreign forces and for the independent reunification of the country.

The North and the South should take prompt steps of realizing arms reduction in the spirit of the North-South agreement to practically guarantee nonaggression and make every effort to turn the Korean peninsula into a nuclear-free, peace zone.

Since the problem of Korea's reunification is historically related with the international relationship, the assistance of the countries concerned is needed in carrying out the North-South agreement. Now that the North and the South promised to solve the question of country's peace and reunification by the internal efforts of the nation through the agreement, the countries concerned should respect the spirit of the agreement signed between the North and the South and actively help our nation to settle the reunification problem in an independent and peaceful way.

The authorities are particularly responsible for achieving our great national unity. They should value the North-South agreement and thoroughly carry out all the agreed provisions of reconciliation, nonaggression, cooperation and exchange. They must work hard to remove the acute political and military confrontation between the North and the South, relax tensions and to develop wide negotiations and diversified cooperation and exchange.

The South Korean authorities should realize the importance of the solemn promise made in the historical North-South agreement and make all sincere efforts to fully carry it out, not reducing it to a mere sheet of paper, and thus discharge their heavy responsibility and duty for the whole nation and the world.

Social Democratic Party Calls for Reunification

SK0601061092 Pyongyang KCNA in English 0523 GMT 6 Jan 92

[Text] Pyongyang January 6 (KCNA)—The policies of adhering to the independent stand, creating the premise for a peaceful reunification and achieving a great national unity, a fundamental guarantee for reunification, which were set forth by respected President Kim Il-song in his New Year address are a highly important guideline which gives flawless answers to fundamental questions arising in sincerely implementing the North-South agreement and accelerating the country's reunification.

Yi Kye-paek, chairman of the Central Committee of the Korean Social Democratic Party, said this in a statement on January 5.

It is of weighty significance to hold on to the stand of national independence in carrying out the North-South agreement and propelling the cause of national reunification as taught by the respected president, Yi Kye-paek said, adding: The independent stand is a position which our nation should regard as the fundamental principle, the starting point in solving the reunification question.

Apart from this stand, no problem with regard to the national reunification can be solved correctly and the reunification question cannot be solved in keeping with the interests and demands of our nation.

The stand of national independence clarified by respected President Kim Il-song is, indeed, the most important proposition for national reunification and a touchstone for distinguishing between the stand of patriotism and the stand of treachery, between the stand of peace and the stand of war and between the stand for great national unity and the stand for the national division.

That respected President Kim Il-song put the stand of national independence as the fundamental stand to be maintained in solving the reunification question is a wise policy which provides a master key to successfully accomplishing the cause of reunification because it is based on the chuche-orientated outlook on the nation.

Yi Kye-paek stressed that the South Korean authorities and politicians must discard the concept of dependence on outside forces and immediately stop persecuting and suppressing the students and democratic figures of broad strata in South Korea who are devoting their patriotic life and soul to the struggle against imperialism and for independence.

Chondoist Party Urges Implementing N-S Agreement

SK0601062592 Pyongyang KCNA in English 0530 GMT 6 Jan 92

[Text] Pyongyang January 6 (KCNA)—Respected President Kim Il-song in his New Year address clarified once again the need to firmly build up the internal forces for national reunification by achieving a great national unity, says Chairman Chong Sin-hyok of the Central Committee of the Chondoist Chongu Party in his statement given to the press Sunday.

The struggle of our people for national reunification is a struggle to put a period to the foreign domination and achieve national independence; it is an internal affair of our nation that should be settled through reconciliation and unity of the fellow countrymen in the North and the South of the same ancestry, he said, stressing: The national reunification will be successfully achieved only when the whole nation struggles in unity as the master.

He went on: As respected President Kim Il-song said, the compatriots of all walks of life in the North, South and overseas must firmly unite with each other in the spirit of patriotism and national independence, irrespective of differences of ideology, political view and religious belief and make tangible contributions to the cause of national reunification, those who have strength by giving strength, those who have knowledge by devoting knowledge and those who have money by donating money, according to their respective capabilities and conditions.

The authorities are particularly responsible for achieving a great national unity.

The South Korean authorities should free themselves from the old concept of confrontation, discard the policy of confrontation hostile to the fellow countrymen in keeping with the common aspirations and expectation of the nation, pull down all the political and physical barriers dividing Korea into the North and the South and make sincere efforts so as to fully carry out the North-South agreement which has been attained with so much efforts, not reducing it to a sheet of paper.

He called upon the Chondoists in South Korea and abroad aspiring after the reunification of the country to actively turn out in the nation-wide struggle for an early achievement of national reunification in the 1990s.

Kim Il-song Receives Message From SKNDF

SK0201072592 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 31 Dec 91

[New Year's "congratulatory message" from the South Korean National Democratic Front Central Committee to DPRK President Kim Il-song—read by announcer]

[Text] The great leader Comrade Kim Il-song, the sun of the nation:

Ringing out a year of the arduous anti-U.S. and antidictatorial struggle for national salvation, amid the grand, vigorous march toward independence, democracy, and reunification under the brilliant rays of chuche, we are ringing in the first morning of 1992, the long-awaited new year during which we will bring fruitful new advances and victories.

On this morning of the meaningful New Year's day, the South Korean National Democratic Front [SKNDF] extends the warmest greetings filled the felicitous feelings of all of our vanguard fighters and patriotic people from all walks of life to the great leader Comrade Kim Il-song, the sun of the nation, who all the fellow countrymen admire and follow, and wishes him a long life.

At this hour when we are ringing in the hopeful new year after ringing out a year of worthwhile struggle, the hearts of our vanguard fighters who, looking toward the skies of the North, are pining for the respected and beloved leader's tender face, are filled with boundless national pride in living and struggling while holding the leader aloft as the sun of chuche.

Last year, 1991, was a meaningful year when, under the great leader's wise leadership, socialism was ever-victorious in the northern half of the Republic and when a struggle to achieve the fatherland's peaceful reunification was waged on a pan-national basis. Profoundly perceiving the demand of the rapidly changing era, the great leader, an idealogical genius, carried out excellent ideological and theoretical activities, developed and enriched chuche-oriented theories on the inevitability of the historical victory of the anti-imperialist cause of independence and the socialist cause, and brightened the road toward hastening the great task of the fatherland's reunification.

Seizing last year's elections of deputies to local organs of political power as an opportunity, the great leader greatly enhanced the invincible might of the regime of the Republic, strengthened the Workers Party of Korea into an ever-victorious vanguard, and further consolidated the single-minded unity of the masses centering on the leader.

Because of the great leader's outstanding leadership and the very strong unity of the main forces of the revolution in which the leader, party, and masses are strongly united into one, the North brought under its control the imperialists' antirevolutionary offensives with revolutionary offensive and vigorously demonstrated the enormous vitality and superiority of the chuche-oriented socialism.

Our brothers in the North who were boundlessly encouraged by the great leader's grand, energetic on-the-spot guidance last year positively accelerated the construction of new heavy chemical plants and large-size power bases with single-minded loyalty and devotion to the party and the leader and had a rich harvest by making paddies fertile.

In the cities and rural areas of the North, where worry about food, clothes, and houses has become a thing of the distant past due to the respected and beloved leader's noble virtue, modern houses were popping up like mushrooms after rain, happy material and cultural lives were flowering, and songs of appreciation for benevolent politics were resounding ceaselessly.

At a time when the U.S. imperialists are frantically kicking up commotions to force us to receive nuclear inspection and invade the North, and when catastrophe and chaos were prevailing in East Europe because socialism has turned into capitalism, we were amazed to see the unique North-style masses-centered socialism and the brilliant reality in the North, which is developing more vigorously over time on the strong foundation of self-dependence, self-support, and self-reliant defense and which is brilliant as the fortress of peace and progressivism. This made us more vividly realize that the respected and beloved leader's leadership is wise and great.

Truly, the respected and beloved leader Comrade Kim Il-song is a great ideologist, politician, and father of the masses who is equipped with outstanding leadership quality and virtue no other great men had in history. Last year, the great leader taught all the fellow countrymen a great principle on the fatherland's reunification and great national unity and wisely led the reunification movement. In this way, he opened a phase for decisive change in the sacred struggle for reunification and recorded a new chapter in the history of the movement for the fatherland's reunification.

The '91 Pan-National Rally for Peace in the Fatherland and its Reunification took place simultaneously in Seoul, Panmunjom, and Tokyo, and achieving reunification through a confederal system based upon the formula of one nation, one country, two systems, two governments became the plan for the fatherland's reunification. As opportunities for meetings among compatriots in the North and the South and overseas increased, thus promoting understanding between them, the trend of national harmony and unity melted the ice of confrontation and division. This eye-opening development of the situation testifies that the nation sellers' policies of anticommunism, confrontation, and national division is facing destruction and that the respected and beloved leader's noble idea on the fatherland's reunification and his idea on great national unity are winning fruitful victories.

The adoption of the Agreement on Reconciliation, Nonaggression, and Cooperation and Exchange Between the North and South is the glorious result of the respected and beloved leader's utmost efforts and great leadership.

Last year was a year of stern trials when unprecedented difficulties accumulated because of the fascist rulers' security-oriented domination and their reactionary, ideological offensives. However, because, with the brilliant rays of the chuche idea, the great leader helped them find ways to cultivate their destinies and endlessly encouraged the fellow countrymen in the South who are waging struggles, our SKNDF and patriotic masses from all walks of life were not frustrated despite the stormy winds of bloody security-oriented rule; were not swayed even though other people, abandoning the revolutionary principles, followed American imperialism; and vigorously marched under the banner of chuche filled with a belief in sure victory and optimism.

Under the slogan of anti-Americanism and independence, our masses from all walks of life endlessly fanned the flames of struggle to remove the U.S. troops and nuclear weapons and frustrate the pressure to open up the agricultural markets. In this way, they dealt a serious blow to the Yankee imperialists and vigorously demonstrated their national will to live independently and self-reliantly in a peaceful, independent land.

The masses from all walks of life steadfastly, continuously waged a fervent antifascist struggle to end security-oriented rule and the military dictatorship and build a new democratic society in the turbulent tides of the movement for anti-Americanism and independence. This further aggravated a crisis in the treacherous pro-U.S. forces' rule. In particular, even though the enemy was running wild to obliterate the reform movement in South Korea and even though wholesale arrests continued, innumerable new-type core leaders who had the chuche idea as their belief and who were equipped with both strong struggle spirits and skillful organizing ability were born. This is the most valuable achievement.

Our SKNDF was more firmly anchored among the masses from all walks of life and equipped its ranks with chuche-type patriotic fighters who grew and were hardened through struggle. As a result, it was further strengthened into an invincible militant and flexible patriotic rank.

Last year's struggle made us vividly realize that we can overcome any difficulties and crumble the fortress of colonial fascist rule as long as there is the great leader and as long as the banner of chuche is flying.

Truly, the respected and beloved leader is the lodestar of freedom and liberation, and the leader's great chuche idea is a brilliant beacon of the reform movement and a source of invincible might.

The [word indistinct] of us, who are marching along the honorable road of struggle under the brilliant rays of chuche, is [word indistinct], and our belief is firm.

At this hour when we are celebrating the meaningful New Year, we are firmly resolved to decorate 1992 as the most brilliant year in national history.

In response to the demand of the rapidly changing situation, we will establish a correct chuche-oriented direction of struggle, accelerate the modeling of the SKNDF ranks on the chuche idea, and make every effort to raise the consciousness of the masses, organize them, and conduct the movement on a popular basis. In this way, we will win a new victory in the movement for independence, democracy, and reunification without fail.

With the ardent desire of all our vanguard fighters and patriotic masses from all walks of life, the SKNDF Central Committee sincerely wishes that the great leader Comrade Kim Il-song, a matchless patriot, legendary hero, and lodestar of national destiny, will enjoy a long life and good health.

[Signed] SKNDF Central Committee

[Dated] 1 January 1992, Seoul

Meetings Held To Implement Kim Il-song's Address

SK0701055792 Pyongyang KCNA in English 0445 GMT 7 Jan 92

[Text] Pyongyang January 7 (KCNA)—Mass rallies to thoroughly implement the tasks set forth by the great leader President Kim Il-song in his New Year address took place in Pyongyang municipality and South Pyongan, South Hwanghae and Chagang Provinces on January 5 and 6.

The reporters and speakers stressed that the New Year address of the respected leader is a highly important guideline to bring about a new upswing in socialist construction, a great program which spread a bright vista in the nationwide struggle for national reunification and a militant banner powerfully encouraging the entire party members and working people to a heroic struggle.

The great leader President Kim Il-song said:

"We should bring about a new upswing in socialist construction with the whole party, the whole state and all the people generally mobilized in order to make this meaningful year a year of most brilliant victory in the history of our fatherland."

The reporters and speakers said we should carry through the line of building an independent national economy under the banner of the three revolutions, ideological, technical and cultural, in hearty response to the New Year address of the great leader and thus increase the economic potentials of the country and satisfactorily solve the problem of food, clothing and housing for the people in keeping with the requirements of socialism.

They called for new achievements this year in the efforts to sharply increase the production of electricity, coal, cement, chemical fertilizers and grain, effect innovations in railway transport and improve the people's living standard still further.

They stressed that scientists and technicians should accelerate the three-year plan for the development of science and technology and called for a great turn in the educational field this year, the year marking the 15th anniversary of the publication of the great theses on education, and signal achievements in socialist cultural construction.

They said all the functionaries must go deep among the masses to work and live with them as required by the Chongsanri spirit and method and the Taean work system and and discharge their honorable mission and duty as faithful servants of the people.

They also stressed the need of energetic efforts to thoroughly implement the North-South agreement adopted this time in conformity with the unanimous desire and demand of our nation to reunify the country independently and peacefully and to accelerate national reunification.

Kaesong, Nampo Mark Kim Chong-il's Election

SK0601101092

[Editorial Report] Pyongyang Korean Central Broadcasting Network in Korean at 0000 GMT on 3 January carries a nine minute-report on mass rallies held in Kaesong City and Nampo City to congratulate Kim Chong-il on his election as supreme commander of the Korean People's Army [KPA].

Describing the scenes of the mass rally of Kaesong City, the report cites a 3-minute portion of a recorded speech by Yim Su-man, responsible secretary of the Kaesong City party committee and chairman of the Kaesong City People's Committee, in which he says "the election of the dear Comrade Kim Chong-il, the excellent leader of our party and people, at the plenary session of the party Central Committee as the supreme leader of the KPA is a manifestation of the unanimous desire and firm will of our party and people to uphold the sagacious comrade leader as the head of our revolutionary Armed Forces and to consummate the chuche revolutionary cause to the end. It is an expression of the absolute confidence and boundless loyalty of all party members, people and soldiers of the People's Army toward the dear comrade leader."

The report continues to give the gist of speeches by other functionaries at the rally.

The report also describes the scenes of the mass rally held in Nampo City and cites the gist of speeches made at the rally by Pak Sung-il, responsible secretary of the Nampo City party committee and chairman of the Nampo City People's Committee, and other functionaries concerned in the city.

Daily Urges Advance of Revolution, Construction

SK0401055392 Pyongyang KCNA in English 0451 GMT 4 Jan 92

["NODONG SINMUN Calls for Powerful Spurs to New Year's Advance"—KCNA headline]

[Text] Pyongyang January 4 (KCNA)—In order to effect a new upsurge in all fields of the revolution and construction in the new year, we should advance courageously in high spirits from the beginning of the year, says NODONG SINMUN in an editorial today.

It quotes the great leader Comrade Kim Il-song as saying:

"Today our people who have been trained and have grown stronger in the severe trials are entering the new year campaign in high spirits with confidence".

The editorial says:

Indicated in the New Year address of Comrade Kim Il-song is the general direction we should maintain in socialist construction at the present time. It reflects our party's revolutionary stand and noble intention to continue to victoriously advance the socialist cause by vigorously carrying on the three revolutions under the revolutionary banner of the chuche idea in any storm and tempest.

If a greater progress is to be made in socialist economic construction along the bright road shown by the great leader in the New Year address, it is necessary to thoroughly implement the line of building an independent national economy so as to increase the economic potentials of the country and fully solve the problem of food, clothing and housing for people in keeping with the requirements of socialism.

All the officials and working people should as always turn out as one man with firm conviction of victory to powerfully push ahead with the grand socialist march and thus steadily work miracles and innovations in all parts of the country.

It is important for them to strive with a strong will and resolution to creditably carry into effect the party's intention to effect a greater upsurge in socialist construction in this significant year.

The editorial calls upon all the people to have the honor of victors in socialist construction by fighting a heroic struggle, holding ever higher the slogan "When the party is determined, we can do anything!."

WPK Message to Company Political Instructors

SK3112141291 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 26 Dec 91

[Congratulatory message from the Workers Party of Korea (WPK) Central Committee to the participants at a Korean People's Army company political instructors meeting delivered by O Chin-u, member of the Presidium of the Political Bureau of the WPK Central Committee and minister of People's Armed Forces; date, place not given—read by announcer]

[Text] O Chin-u, member of the Presidium of the Political Bureau of the Workers Party of Korea [WPK] Central Committee, vice chairman of the DPRK Defense Committee, member of the party Central Military Committee, and minister of People's Armed Forces, delivered a congratulatory message from the WPK Central Committee to participants at a meeting of the Korean People's Army [KPA] company political instructors. The congratulatory message said the WPK Central Committee offered wholehearted congratulations to all of the KPA company political instructors who, upholding the party's policy on strengthening the companies, cells, and basic combat units of the KPA, have actively contributed to accelerating the cause of inspiring the entire the armed forces by undertaking the political work of the company commanders in an orderly manner.

Stating that company political instructors inside the KPA have attained brilliant successes by devoting themselves to implementing the party's policy on strengthening the companies based on their boundless loyalty to the party and leader, the congratulatory message noted: By endlessly deepening the organizational and political work among the soldiers, the company political instructors have made a great contribution to preparing the soldiers as revolutionary fighters armed with a clear-cut military spirit who follow and trust only the party and leader and who do not hesitate to lay down their lives in struggle for them under any stormy circumstances and difficulties.

By closely associating the party's political work with the fulfillment of the military tasks and by vigorously mobilizing and organizing the soldiers to achieve this, the company political instructors insured that uninterrupted advances are made in perfecting the companies' combat readiness and that all soldiers demonstrate their resourcefulness and bravery in the rewarding construction struggle of erecting the monumental creations of the age of the Workers Party.

The message said that it is thanks to the unsung efforts on the part of the company political instructors, who have guided the fighters by making themselves true educators and standard bearers of the ranks in order to strengthen the companies one-a-match-for-100 combat ranks, that our KPA has been able to demonstrate its invincible might with revolutionary characteristics. The congratulatory message noted that the fact that company political instructors inside the KPA have greatly contributed to consolidating the companies and to strengthening the entire armed forces through their devotion to struggle based on their boundless loyalty to the party and leader and warm affection for their socialist fatherland is highly appreciated.

The congratulatory message noted the need for the company political instructors to deepen the party's political work without interruption in order to bring up the soldiers in the companies as true loyalists and extremely dutiful children under the slogan "Let us turn all the companies into the combat ranks of loyalists and dutiful children."

The congratulatory message noted the need for the company political instructors to substantially conduct the indoctrination on the chuche idea, on revolutionary traditions, and on Korean people being No. 1 among the soldiers and to strengthen the indoctrination on the party, thereby giving all the soldiers a firm revolutionary outlook on the leader. Thus, they will cherish loyalty to the party and leader as revolutionary faith and obligation and demonstrate high a revolutionary military ethos of sacrificing their youthfulness and even laying down their lives to serve the party and leader.

The congratulatory message noted the need for the company political instructors to strengthen the indoctrination on the revolution and class even further among the soldiers at a time when the imperialists and reactionaries are frantically engaged in antirepublic and antisocialist commotions so as to make them see clearly the aggressive nature of the imperialists and the reactionary nature of the exploiting system, wage intransigent struggle against them, and firmly defend our country's socialist system centered on the popular masses with arms.

The congratulatory message noted the need for the company political instructors to strengthen the guidance over the organizational life of the party members and soldiers. They need to educate the soldiers, with emphasis on the work with people, by way of explanation, persuasion, and indoctrination to influence people with positive examples. They also need to consolidate the primary organizations of the League of the Socialist Working Youth of Korea inside the companies and substantiate their guidance over them.

After mentioning the need for the company political instructors to effect new revolutionary changes in strengthening the fighting power of the companies by briskly carrying out the party's political work designed to guarantee military tasks, the congratulatory message continued to note the need to make all the soldiers one-a-match-for-100 fighters, well prepared politically and ideologically, strategically and technically, and armed with chuche-oriented outlook on war, while goading them into voluntarily meeting the demands of the military regulations.

The congratulatory message also noted the need for the company political instructors to tirelessly carry out the political work designed to give full play to the traditionally beautiful customs of unity between officers and men and of unity between the army and people and to vigorously stir up the soldiers so as to make them perform heroic feats in socialist construction aimed at realizing the party's long-term plans.

After mentioning the need for the company political instructors to dexterously organize the soldiers' material and cultural life and to endlessly deepen the movement to win the three revolutions red flag, the congratulatory message also noted the need for them to make themselves political functionaries with strong principles of the party and with a humanitarian touch, as well as the older (?brother) figure whom the soldiers follow and trust.

The congratulatory message stressed a firm conviction that the company political instructors inside the KPA, under the leadership of the party, will satisfactorily live up to the party's great confidence and expectation by strengthening all the companies as invincible combat forces endlessly loyal to the party and leader.

'Proud Achievements' in National Economy Cited

SK0401042392 Pyongyang KCNA in English 0358 GMT 4 Jan 92

[Text] Pyongyang January 3 (KCNA)—Proud achievements were made in various sectors of the national economy last year in Korea which has dynamically advanced, displaying the great potential of the independent economy.

The working people in the domains of mining industry, power industry and railway transport have recorded innovative achievements last year, conscious of their being in charge of leading sectors of the national economy.

Miners of the Musan Mining Complex who are standing on the lifeline of metal industry overfulfilled the highly set plan of iron headings production from the first month of last year by effectively using the modern mining equipment. They topped last year's target of iron headings production on December 28th. This means a jump of 700,000 tons above the results of the previous year.

The Komdok Mining Complex which is the largest production base of nonferrous ores in the country built more than 40 promising cutting faces by giving precedence to tunnelling and conducted massive cutting, massive carriage and massive treatment to produce nearly twice as much lead and zinc as in 1990.

With the construction of new mines and pits everywhere, a bright prospect of ore production was opened.

The coal mining industry, while increasing production at the existing pits, rebuilt and expanded the coal mines of Anju, Sunchon, Kangdong, Kujang, Tokchon and northern district coal mines on a large scale.

In the Anju District, the Hwapung pit of the Taehyang Coal Mine, the Wonbuk pit of Soho Coal Mine and the slanting pit No. 2 of the Chilli Coal Mine were built and the Northern District General Bureau of Coal Mining Industry dynamically accelerated the construction of twelve new pits of the Chudong, Soksong and Hwanggok Coal Mines and the Saebyol District.

The power industry actively carried out the modernization of the generating equipment and the scientification of management, while lifting the power production to the maximum.

Power production went up with the Pyongyang Thermal Power Complex and many other power stations placed on a further modernized and scientific basis.

The Changjagang and Hochongang Power Stations went beyond the annual plans by far.

The construction of ten odd large power stations including the Namgang Power Station, the Orangchon Power station, the East Pyongyang Thermal-Power Station and the December Thermal-Power Station and many minor power stations made fast progress.

In railway transport, the building of new railways and switchover to electric traction in different sections and the introduction of heavy rails and modernisation of railways were accelerated to fully meet the growing demand for transport.

The traffic capacity of railways grew markedly with the massive production of eight-axle electric locomotives and new-type 100-ton waggons and the completion or promotion of the electrification of railways of the Hamhung-Pujon, Kaechon-Sunchon, Haeju-Ongjin, Singangnyong-Pupo and Paekam-Yugok sections and the 250-kilometer northern railway.

Construction Projects Throughout Nation Viewed

SK0601154192 Pyongyang KCNA in English 1459 GMT 6 Jan 92

[Text] Pyongyang January 6 (KCNA)—Last year Korea defined as the main tasks of capital construction the objects which are of weighty significance in strengthening the chuche character of the national economy and obtaining the major targets of the present seven-year plan (1987-1993) and made a vigorous march, creating a new construction speed from the beginning of the year.

In this course a great many monumental edifices demonstrating the national power of the country were built in different parts of the country to change its appearance.

An aspect of this can be seen in the construction of the Sariwon Potassic Fertilizer Complex where the vast project of the first system of the kiln entered the final stage, the East Pyongyang Thermal Power Plant where the project of Boiler No. 1 was completed, the fertilizer factory of the Sunchon Vinalon Complex where the architectural project was completed in the first-stage construction and the assembling of equipment began, the fast-progressing tramway construction in the capital city and the construction of the December Thermal Power Plant and the Yongwon, Namgang, Orangchon and Kumyagang Power Stations.

Scores of factories and enterprises including the Pyongyang August 17 Prefab Factory, the Hyesan Steel Works, the Pongnyon Mine, the Changnim Mine and Smeltery No. 727 were commissioned last year.

One of the miracles wrought in the construction domain last year was the project for introducing large and modernized equipment of the Hungnam Fertilizer Complex which carried out in three months vast technical remodelling tantamount to the construction of large fertilizer factory with its own desgns, technologies materials and equipment.

The general operation of the ammonia compounding process in which all the old system was replaced by a streamlined production process is done by two operators in a carpeted room. With the completion of the first-stage construction of the oxygen plant shop of the February 8 Vinalon Complex, it became possible to produce in larger quantity hundreds of kinds of chemicals including vinalon, vinyl chloride, caustic soda and sodium carbonate as well as methanol and acid protein fed by blowing oxygen into the air-tight carbide electric oven.

Housing construction holds a particular place in construction. The construction of houses for 50,000 flats in Pyongyang has reached the final stage.

The grand and beautiful Tongil Street carrying the desire of the Korean people for reunification has taken shape in the southern part of the capital as a new street of the 1990's. Tongil Street with high and super-high apartment houses for 20,000 families and public buildings standing in rows on both sides of the 120 metre wide avenue shows well the great potentials on the country.

Houses for 10,000 coal miners' families in South Pyongan Province and houses for 1,000 miners' families in Yanggang Province are under construction and many large houses for 500 families were built in Osudok, Chunggang County in the northern region and Namsinuiju is changing its looks. Thus modern houses are rising up at a fast speed in cities and rural villages.

In Korea 1991 was, indeed, a significant year which left proud trace in the march of the 90's with the construction of many grand monumental edifices.

South Korea

Bush Winds Up Seoul Visit, Heads for Japan

SK0701012192 Seoul YONHAP in English 0104 GMT 7 Jan 92

[Text] Seoul, Jan. 7 (OANA-YONHAP)—U.S. President George Bush wound up his Seoul visit Tuesday morning and headed for Japan, the last stop on his tour of Australia and Asia.

Prime Minister Chong Won-sik led Bush through a red-carpet farewell ceremony at Seoul airport attended by officials from Seoul City Hall, the U.S. Embassy and the American military as a brass band played "America the Beautiful" and the U.S. national anthem.

Bush arrived Sunday for a summit with President No Tae-u on bilateral security and economic cooperation.

While the United States reaffirmed its security commitment to Korea, the two leaders discussed measures to follow up recent developments in inter-Korean relations such as the agreement on reconciliation and the accord for a nuclear-free peninsula.

No and Bush agreed to forego the South Korea-U.S. "Team Spirit" military exercise this year if North Korea signed a nuclear safeguards accord and accepted full-scope inspection of its nuclear installations.

They discussed future North Korea-U.S. relations in step with inter-Korean developments, with the two leaders pledging close consultation before taking any action.

The two accentuated the new economic ties between their nations by agreeing to initiate Korea-U.S. subcabinet economic consultation and saying that "common prosperity must be sought through free trade."

Defense Ministry Says 1992 Team Spirit Canceled

SK0701031892 Seoul KBS-1 Radio Network in Korean 0100 GMT 7 Jan 92

[Text] The ROK-U.S. joint military exercise Team Spirit, which the ROK and the United States have staged every year for the past 15 years to prepare against a possible southward invasion by North Korea, will be tentatively suspended this year. The Defense Ministry officially announced today that it will not stage the 1992 Team Spirit exercise this year according to the government's decision announced today. The U.S. Government has agreed with this decision.

The supension of the Team Spirit military exercise for this year was jointly announced at 1000 this morning by our Defense Ministry, the ROK-U.S. Combined Forces Command, and the U.S. side [not further identified]. The Defense Ministry said that President No Tae-u made the decision to suspend the Team Spirit exercise this year based on the common understanding of the ROK and the United States and on the recommendation of ministers concerned with national security after a meeting. The Defense Ministry said that this decision was agreed upon at the summit talks held yesterday between the heads of state of the ROK and the United States.

The Defense Ministry said that the ROK-U.S. joint military exercise Team Spirit is suspended for this year only and that it has not reviewed whether or not the exercise will be suspended next year and thereafter.

In particular, a Defense Ministry official stressed that the tentative suspension of the Team Spirit exercise this year has been decided as a part of our government's active steps to improve North-South relations and alleviate tension since North Korea has officially clarified its sincerity in implementing the North-South agreement and the North-South joint declaration on the denuclearization of the Korean peninsula, its official announcement not to possess nuclear reprocessing facilities and enrichment facilities, its expression of willingness to submit to international nuclear inspection, and its agreement to a simultaneous inspection between the North and South.

This Defense Ministry official said that the Team Spirit exercise, which has been staged since 1976, is one of the most important factors in maintaining and developing the ROK-U.S. joint defense posture and that, therefore, the ministry will keenly watch how North Korea's offensive strategy against South Korea and its military posture changes in the future. He said that if North Korea utilizes the North-South agreement for its strategies against South Korea and fails to take satisfactory steps to implement the agreement, the Team Spirit exercise will continue at any time.

'Small-Scale' Exercises To Continue

SK0701023792 Seoul YONHAP in English 0215 GMT 7 Jan 92

[Text] Seoul, Jan. 7 (OANA-YONHAP)—South Korea announced the cancelation Tuesday of this year's "Team Spirit" joint military maneuvers with the United States and said it was making the move because North Korea had said it would soon sign a nuclear safeguards accord and accept simultaneous pilot inspection of suspected nuclear installations.

The decision was made earlier and confirmed at Monday's summit between South Korean President No Tae-u and U.S. President George Bush, Defense Ministry Spokesman Yun Chang-no said.

North Korean Ambassador to Austria Chon In-chan has scheduled a news conference in Vienna on Tuesday at which he is expected to announce when his country will sign and ratify a nuclear safeguards accord and accept outside inspection of its nuclear facilities.

"North Korea not only has made clear its position through an inter-Korean declaration that it will not own nuclear reprocessing or uranium enrichment plants but expressed willingness to accept international inspection at an early date. These factors were major considerations behind the decision to forego the military exercise," Yun said.

Whether to stage Team Spirit in the future will depend on North Korea's attitude, a ranking ministry official said, suggesting that the exercises could be suspended in coming years as well if inter-Korean relations make progress.

The official denied that this development will immediately be linked to withdrawal of U.S. troops from South Korea.

"Even if North Korea signs the safeguards accord, there are still variables such as actual inspection," he said. "Now is not an appropriate time to reconsider the decision to delay pulling U.S. Forces out of South Korea."

Seoul and Washington agreed in November's security consultative meeting here that a scaleback of about 5,000 American forces from here between 1992 and 1995 would be indefinitely postponed.

North and South Korea initialed a joint declaration Dec. 31 on a non-nuclear Korean peninsula. Seoul officials indicated in working-level contacts with Pyongyang that Team Spirit could be canceled if North Korea both signed and implemented a nuclear safeguards accord with the International Atomic Energy Agency (IAEA).

"Negotiations on nuclear inspection are between North Korea and the IAEA, but we strongly expect North Korea to at least sign and ratify a safeguards agreement before the sixth round of inter-Korean prime ministers' talks in mid-next month," the spokesman said.

South Korea and the United States will continue small-scale military exercises such as "Foal Eagle," according to the ministry.

U.S.-DPRK Relations Contingent on Inspection

SK0701123292 Seoul YONHAP in English 1215 GMT 7 Jan 92

[Text] Seoul, Jan. 7 (YONHAP)—North Korea-U.S. relations will not improve rapidly until after Pyongyang accepts international inspection of its nuclear facilities even if Pyongyang signs a nuclear safeguards accord, Hyon Hong-chu, Korean ambassador to the United States said Tuesday.

In an interview with the KBS-TV, Hyon said that U.S. President George Bush made it clear in Seoul Monday that the United States would not consider improving its relations with Pyongyang before it is confirmed that Pyongyang abandons its nuclear fuel reprocessing and uranium enrichment facilities.

"The U.S. Government is considering having contacts with Pyongyang simply to convey its clearer position on the nuclear issue to the North Korean leadership," Hyon said, stressing that these contacts had nothing to do with improvement of bilateral relations.

Hyon said the timing of diplomatic normalization between Pyongyang and Washington would depend on North Korean attitude toward calls for International Atomic Energy Agency's inspection of its nuclear installations and simultaneous inspection of nuclear facilities in South and North Korea.

Technology Cooperation With U.S. To Expand

SK0701095192 Seoul YONHAP in English 0707 GMT 7 Jan 92

[Text] Seoul, Jan. 7 (YONHAP)—The South Korean Government has decided to draw up plans for expanding technology cooperation and joint investment with the United States in a follow-up to Monday's summit talks, in which the need to promote partnership in the economic field was stressed, Economic Planning Board officials said Tuesday.

The government would ask the Korea-U.S. Economic Council, which it was agreed to form in the summit, to discuss pending trade issues such as increasing imports on credit, liberalization of the financial market and early opening of the communications market, they revealed.

Based on the Korea-U.S. Science and Technology Agreement signed here Monday, the Korean Government may try to find ways to cooperate with the United States in seven fields of industrial technology—ultra-VLSI (very large scale integration) semiconductors, machine tools, high-definition television, artificial intelligence, automobiles and nuclear energy.

The government would seek a meeting of the high-powered joint committee on science and technology, and study the establishment of a joint Korea-U.S. Science and Technology Foundation, they said.

During President George Bush's visit Jan. 5-7, the United States asked Korea to expand imports on a deferred-payment basis from items with tariffs of up to 10 percent to those with tariffs of up to 15 percent and present a timetable for early liberalization of its financial market.

It also asked for full liberalization of investment in local value-added networks from 1992 and expanded opening of Korea's communications service.

The Korean side explained that all the items the United States was interested in selling on credit would be automatically given the green light in the next two years under government plans to reduce tariff rates and that the communications market would be fully opened after 1994.

The Korean Government also revealed to the American visitors that it would pursue liberalization of financial, capital and foreign exchange transactions on a step-by-step basis considering the nation's international balance of payment, prices and interest rates at home and abroad.

The U.S. side asked for support for successful conclusion of the Uruguay Round trade negotiations although it did not specify rice market opening, and Korea expressed its position that full opening of the agricultural market was difficult.

U.S. Market Pressure 'Lighter Than Expected'

SK0701011292 Seoul THE KOREA HERALD in English 7 Jan 92 p 6

["News Analysis" column by reporter Choe Song-chin]

[Text] U.S. President George Bush, during his three-day stay in Seoul, spent more time and energy on economic and trade issues than what any of his precedessors did here before.

Contrary to initial worries of Korean government officials, however, the intensity of market-opening pressure from the U.S. president and his entourage of business executives was much "lighter than expected," government and private business officials said.

Indeed, the U.S. visitors stressed the need for boosting bilateral "economic cooperation" whenever possible, and even when they made trade-related demands, they did so in a "roundabout" way, the government officials said.

The most outstanding achievement that has come out of the visit was the formation of the Korea-U.S. Economic Council aimed at furthering economic and technology cooperation, said a senior government official.

"This organization is to be co-chaired by sub-cabinet level officials in Seoul and Washington and will be charged with the task of studying ways to develop a proper mechanism—as well as the spirit—to enhance business cooperation between the two countries," said the official who wished not to be identified.

Even the trade ministers of the two countries skipped their official meeting during the Bush's visit. Instead they tried to have more time for meetings between their business leaders.

Business analysts here cited several factors behind the "warmer-than-expected" atmosphere surrounding the trade issues during Bush's visit, which had seen characterized as a "trade visit" other than the visitors themselves.

They noted first of all that Korean no longer enjoys trade surplus with the United States but instead suffers from a deficit $720 million with Washington, thus depriving the Americans of legitimate excuses for greater pressuring.

The experts pointed out that the real target of U.S. officials is Japan.

"The Americans did not have to irritate the Korean people's sentiments unnecessarily by pressing too hard for rice market opening here," they said, because "if Japan gives in, then it will be a matter of time for Seoul to follow suit."

Besides, they said, Americans knew all too well that delays in the settlement of the Uruguay Round of free trade talks cannot be attributed to Korea's and few other countries' opposition to opening their farm markets but to the confrontation between the United States and European Community over farm subsidy cuts.

The trade watchers also pointed out that U.S. officials, albeit in an indirect way, inferred virtually everything they wanted to say and laid down all the demands they believed necessary.

"The tone of Bush's speech requesting market opening in a meeting with Korean businessmen was quite strong and its contents were specific," an analyst said.

In his speech, the U.S. president demanded Korea remove "all non-tariff barriers" to free trade, and called for Korea's more positive support to a successful conclusion of the Uruguay Round.

Some skeptical observers even suspect that the proposed bilateral economic council would prove to be an institutional forum in which the United States would push for settling rival trade issues in a "lump sum" instead of tackling them case by case.

The biggest concerns of all, they said, will be the speedier market opening of capital market.

Since President No Tae-u promised that he would "consider" Bush's request for more financial market liberalization, working-level officials should soon come up with some sorts of specific concessions, they said.

American financial businessmen accompanying Bush, while meeting with a senior Ministry of Finance official, also made a host of requests in this regard.

Their demands ranged from allowing foreign underwriters operating here to get into reinsurance business, to lowering the minimum capitalization for foreign brokerage firms, and to relaxing the use of credit cards by Korean travelers abroad, according to the Korean officials.

"Maybe, the United States has switched its trade strategy from the governmental level to the one led by private businessmen," the observers said.

The various criticisms and skepticisms notwithstanding, many analysts both in and outside the government said the latest round of Korea-U.S. trade meetings should be termed a "resounding success" in that both countries talked more about opportunities for cooperation than conflicts.

"An era of Korea-U.S. trade tensions is fading away, giving way to a new era of cooperation," a senior government official said.

North To Sign Nuclear Accord by Month's End

SK0701092492 Seoul CHUNGANG ILBO in Korean 7 Jan 92 p 1

[Correspondent Pae Myong-pok from Paris]

[Text] According to the International Atomic Energy Agency [IAEA], on 6 January North Korea informed the IAEA of its intention to sign the nuclear safeguards accord before the end of this month.

In a statement issued on 6 January, the IAEA said that Chon In-chan, North Korean ambassador to Austria had told Hans Blix, secretary general of the IAEA, that "the North Korean Government will sign the nuclear safeguards accord before the end of this month in conformity with the obligations imposed on the signatory to the Nuclear Non-Proliferation Treaty and will ratify it soon."

Spokesman for the IAEA said that the nuclear inspections in North Korea by the IAEA specialists will begin this spring at the earliest.

If and when North Korea signs the nuclear safeguards accord, it must submit to the IAEA a list of nuclear-related materials and nuclear facilities existing in its territory within six weeks from the day the accord was signed and only then can nuclear inspections begin.

Meanwhile, in reference to a specific date for signing the accord, one of the North Korean Embassy officials in Austria said: I cannot be specific, but it will be either on 27 or 28 January.

The same official said that the procedural affairs concerning the North Korean delegation's entry into Austria, including the issuance of visas, had delayed North Korea's signing of the nuclear safeguards accord, which had been scheduled to be signed in early January.

Meanwhile, Chon In-chan, North Korean ambassador to Austria representing the North Korea mission in Vienna, is expected to hold a press meeting at his embassy office on the morning of 7 January to explain North Korea's stand on the signing of the nuclear safeguards accord.

North's Yon Hyong-muk Telephones Chong Won-sik

SK0701032292 Seoul KBS-1 Radio Network in Korean 0300 GMT 7 Jan 92

[Text] North Korean Premier Yon Hyong-muk sent a telephone message to Prime Minister Chong Won-sik notifying him that one delegate from the North side will be sent to the conference room of the Neutral Nations Supervisory Commission in Panmunjom at 1500 on 14 January to exchange documents of the joint declaration of the denuclearization of the Korean peninsula.

Unification Board Minister on N-S Relations

SK0401045592 Seoul CHUNGANG ILBO in Korean 3 Jan 92 p 5

[Interview with Choe Ho-chung, deputy prime minister and minister of the National Unification Board, by reporter An Hui-chang on the prospect of the North-South relations for 1992; date and place not given]

[Text] [An Hui-chang] It is anticipated that there will be a remarkable turning point in the relationship between North and South Korea this year. What is your view on the overall relations between the North and South?

[Choe Ho-chung] Adoption of the North-South agreement has a significant meaning for it made North and South Korea recognize and respect each other's structure for the first time since Korea was divided.

I expect the North-South relationship will be improved from this year on if both sides will cooperate with each other on the basis of this agreement.

It seems that building mutual trust and restoring the people's homogeneity can be achieved by finding a breakthrough for resolving the separated family issue and opening a path for economic exchange, cooperation, travel, and communication.

[An] Whether or not the North-South summit talks will be realized seems to be the most interesting issue for the people. What is the government's position on this matter?

[Choe] I think the negative North-South relationship of conflict and distrust has been liquidated by the North-South agreement. However, liquidation of the conflicting history is not the only duty that we have.

The heads of North and South Korea should meet to discuss and resolve the issues relating to reunification and the future image of the country after reunification.

We demand the holding of summit talks, and North Korea seems to realize the need also.

I think the summit talks will be held in the near future though we never impetuously hurry it.

[An] When peaceful coexistence of North and South Korea is systemized according to the completion of the agreement, the four neighbor powers' relationship with North and South Korea, I think, may be changed....

[Choe] It is needless to say that peaceful coexistence and cooperative relationship between North and South Korea can be strengthened when peace and cooperation in the area around the Korean peninsula is firmly founded and developed.

Today, all the countries are trying to develop exchange and cooperation. I think it will not be long before North and South Korea's relations with neighbor countries will be improved and diplomatic ties with them will be established.

But, such an improvement of the relationship should be promoted only on the course that helps the Korean peninsula's reunification. Concerned countries also seem to understand this.

[An] North and South Korea declare that they are trying "to avoid reunification through absorption." What is your conception of reunification?

[Choe] Our reunification policy is to unite the North and South which both have different ideologies and structures and create a new single state.

I know this is not easy. Therefore, we had better approach it in a step by step manner rather than promptly promoting it at once.

In this sense, we can say our reunification policy is to achieve a reunified state and its process should be carried out in a uniform manner.

Accordingly, instances of personnel and material exchange, although it has been limited and partial, and also the adoption of the agreement for peaceful coexistence and reconciliation mean that reunification is already on its way.

[An] There are doubts whether North Korea will properly fulfill the North-South agreement and joint declaration on denuclearization.

[Choe] In a nutshell, the agreed upon matters between the North and South must be realized without fail, and I expect that this will be achieved.

Since the agreement is of mutual consent between responsible authorities, there is the power and supporting basis to realize this; North Korea can no longer remain isolated when the mainstream of the world trend is to carry out exchange and cooperation; and North Korea is beginning to see that promoting exchange and cooperation with us is a practical necessity.

[An] When will the issue of separated families be resolved?

[Choe] The government is giving priority to resolving this issue.

We will work to find out the fate of separated families and their addresses through exchange of letters. We will also work to promote family reunions at Panmunjom and the visiting of hometowns by the elderly.

[An] It is forecasted that North-South economic exchange will be further activated. Already, there are voices saying that excessive competition must be stopped. What is a desirable way to carry out exchange and cooperation?

[Choe] The government is aiming to achieve a step-by-step approach which is to extend material exchange and at the same time promote economic cooperation so that one economic bloc which guarantees the free transfer of production elements can be achieved, and ultimately an economic unity can be realized.

Along with this, we must overcome the customary differences that come from different systems in the North and South, and consider problems that exist when our businesses carry out work with the North Korean authorities. A close cooperation must be achieved between government and economic circles.

North Requests Daewoo Help in Light Industry

SK0601140692 Seoul YONHAP in English 1349 GMT 6 Jan 92

[Text] Seoul, Jan. 6 (YONHAP)—South-North Korean economic cooperation will begin in light industry, Daewoo Group Chairman Kim U-chung said Monday.

Kim Tal-hyon, North Korean deputy prime minister, has requested Daewoo's cooperation for expanding exports of North Korean light industry products, the leading South Korean industrialist said in a press conference.

Kim is scheduled to visit North Korea at the north korean official's invitation around Jan. 15 to discuss economic cooperation projects. He will be accompanied by eight or nine key officials of some Daewoo subsidiary companies.

He will be the first South Korean businessman to visit Pyongyang at official invitation since the two Koreas signed an Agreement on Reconciliation, Nonaggression and Exchanges and Cooperation Dec. 13 that laid the basis for inter-korean economic ties.

North Korea's manufacturing facilities appeared not to be far behind those in South Korea, and because of high education level and abundant labor force, potentialities in the light industry sector are rather great, Kim said.

"If joint venture is agreed in such areas as textiles where existing manufacturing facilities in North Korea can be readily used, the two sides could start production within six months," Kim said.

Daewoo's initial investment in joint ventures will be between 10 million and 20 million U.S. dollars, he said.

"We don't intend to use South-North Korean economic cooperation fund for initial investments. We plan to open our projects to other South Korean businesses through consortiums," he told the press conference.

Negotiations for his North Korean trip were held through a third party, Kim said. The North Korean trade mission in Beijing telephoned Daewoo's office there on Dec. 24, informing it of North Korea's intention to formally invite him, he said.

North's Propaganda at DMZ Becoming 'Soft'

SK0601022092 Seoul THE KOREA HERALD in English 6 Jan 92 p 3

[Text] The North Korean propaganda broadcasts against the South through loudspeakers in the Demilitarized Zone [DMZ] and three radio channels have recently become "soft" since the Dec. 13 signing of a sweeping reconciliation agreement between prime ministers of the two Koreas.

Officials at the Defense Ministry said yesterday that North Korea recently stopped the slanderous broadcasts about "mercenaries of the U.S. imperialists," "pro-American fascist group," and "puppet regime."

The North Koreans also stopped slander against President No Tae-u and several other South Korean leaders, and restricted itself from inciting antigovernment propaganda, the officials said.

But regarding the four elections slated this year in the South, they were condemned as "a mean deceiving drama to elect representatives of the people through money parties," according to the Defense Ministry officials.

They said that the North Korean propaganda broadcasts "began to be less slanderous in 1990, an even more so following the Dec. 13 agreement."

"We note that recently the North Korean propaganda broadcasts speak less about the superiority of their socialist system," they said. Psychological warfare [subhead]

On Dec. 13 last year, prime ministers of both sides reached an agreement on inter-Korea reconciliation, nonaggression, cooperation and exchange, which is described as the most friendly agreement reached between the two sides since the Korean War (1950-53)

The agreement stipulates that both sides will stop their psychological warfare broadcasts beginning Feb. 19 when the Dec. 13 agreement is expected to go into effect.

But the ministry officials said they have at present no plan to stop the South Korean loudspeaker broadcasts toward the North.

"We don't give slanderous broadcasts, and we feel it is still necessary to inform the North Korean residents of the news of the outside world," they said.

The officials said that South Korean broadcasts reach some 400,000 to 500,000 North Korean near the DMZ.

They also pointed out that the loudspeakers are the only form of broadcast the South has for psychological warfare while the North has three radio channels as well, including Pyongyang Radio, Voice of the People, and Voice of the National Salvation.

The ministry officials said that Gen. Robert W. RisCassi, commander-in-chief of the ROK-U.S. Combined Forces Command, once suggested that the South Korean military unilaterally stop the loudspeaker broadcasts.

The South Korean military has some 100 loudspeakers along the 155-mile DMZ and broadcasts domestic and international news, South Korean pop songs and music as well as psychological warfare propaganda.

The South broadcasts 15 hours a day while the North broadcasts 17 hours a day through their respective high-powered loudspeakers.

Intelligence sources said that North Koreans prefer cheerful and light South Korean pop songs adding that the songs are "covertly" in vogue among some North Koreans.

Under North Korean law, signing a South Korean song receives severe punishment, and a report said that a North Korean youth who got a tape from China and used to sing South Korean songs was executed in the early 1980s.

The North Koreans are also banned from tuning into South Korean radio or television broadcasts.

Chinese Trawlers Return to Korean Waters

SK0601082692 Seoul YONHAP in English 0650 GMT 6 Jan 92

[Text] Cheju, South Korea, Jan. 6 (YONHAP)—Friction is mounting between South Korea and China over repeated violations of Korean territorial waters and international waters under Korean protection by Chinese trawlers, local fishermen and Cheju Provincial Administration officials said Monday.

They said more than 80 Chinese trawlers, ranging between 70 tons and 100 tons, began fishing in waters seven to eight miles southeast and northeast of Songsanpo Port Saturday morning and the number had grown to over 150 vessels as of Monday.

In addition, a flotilla of 104 Chinese ships appeared in international waters 25 miles northwest of Mosulpo Port Sunday and were catching filefish, the sources said. Though they were outside Korean territorial boundaries, fish and marine resources in the area were under the protection of the Korea Office of Fisheries Administration, they said.

Chinese vessels are swarming waters near Cheju as harvests of filefish, one of the most popular fish in China, are good there.

Chinese fishing vessels violated Korean territorial waters on Dec. 13 and were driven away by the Korean Maritime Police, but on Dec. 17 more than 300 Chinese boats were spotted in waters north of Cheju Island and local fishermen lodged strong protests with the maritime police.

A Cheju Provincial official said the maritime police were refraining from such actions as seizing Chinese vessels because Korean vessels often fished in waters near the Chinese province of Shandong.

Strong Protest Lodged With China

SK0601123792 Seoul YONHAP in English 1223 GMT 6 Jan 92

[Text] Seoul, Jan. 6 (YONHAP)—The South Korean Government on Monday lodged a strong protest with China, charging that about 80 Chinese trawlers violated Korean territorial waters over the weekend.

The Foreign Ministry made the protest through Pigiai, alternate delegate of the Chinese Trade Mission in Seoul, a ministry official said. The Chinese official was summoned to the ministry.

The Defense Ministry, Fisheries Administration and National Police Administration were instructed to take legal steps as by seizing or detaining the fishing boats if similar violations recurred.

Since December last year, hundreds of Chinese vessels were spotted fishing nearby or in Korean territorial waters occasionally despite repeated warnings by the Korean Government.

Because of a lack of diplomatic relations between Seoul and Beijing, Korea has not taken any legal actions so far.

Government To Repeat Tariffication Exception Call

SK0601041592 Seoul YONHAP in English 0116 GMT 6 Jan 92

[Text] Seoul, Jan. 6 (YONHAP)—South Korea will again call on trading countries to recognize exception to tariffication of agricultural products when the Uruguay Round trade talks resume in Geneva on Jan. 13, officials said Monday.

"GATT (the General Agreement on Tariffs and Trade) wants trading nations to express either approval of or objection to Director- General Arthur Dunkel's formula at the trade negotiating committee [TNC] meeting on Jan. 13, but we believe there is still room for negotiation.

We will stick to our position that we object to tariffication without exception in the agricultural sector," one official said.

Dunkel announced a package plan on Dec. 21 highlighted by tariffication of agricultural products without exception and export subsidy cuts.

Korea's position had been reaffirmed through close inter-ministerial deliberations, they said.

"In the trade negotiating committee meeting, we will again demand that exception be recognized for market opening of a few specific products for each participating country," he said.

Korea, jointly with Japan, Canada, Switzerland and Norway, will seek exceptional clauses such as GATT Article XI:2 (c), under which imports can be restricted in return for production control.

"The future of the Uruguay Round talks will be decided by the reaction of the European Community and other major participants to Dunkel's package in the TNC meeting on Jan. 13. The TNC meeting will see brisker movements for further negotiations," the official said.

EC agricultural ministers responded negatively to the package in a previous meeting.

Diplomatic Relations Established With Angola

SK0601081592 Seoul YONHAP in English 0748 GMT 6 Jan 92

[Text] Seoul, Jan. 6 (YONHAP)—South Korea has established ambassadorial-level diplomatic relations with Angola with effect from Monday, a Foreign Ministry spokesman said Monday.

Song Hak-won, the Korean ambassador to Namibia, and Pedro de Castro Van-Dunen, the Angolan foreign minister, signed a protocol on the establishment of diplomatic ties in Luanda on Dec. 24.

Angola, five and half times as big as the Korean peninsula, with a population of 9.48 million as of 1989 and a per capita GDP (gross domestic product) of 538 U.S. dollars, has been in the process of moving toward democracy since May 1991, ending the internal conflicts that have lasted for over 25 years.

Seoul's strengthening of ties with Luanda was likely to contribute to setting up formal ties with Zimbabwe, Tanzania and Mozambique, the spokesman said.

Korea has formal diplomatic ties with 154 nations, including Angola.

Exports to Former USSR Exceeds $300 Million

SK0501013692 Seoul THE KOREA HERALD in English 5 Jan 92 p 6

[Text] Korea's exports of consumer goods to the former Soviet Union progress briskly to exceed $300 million worth by the end of 1991, even without loan approvals from the Export-Import Bank of Korea, government and business officials said yesterday.

The contracts for tied-loan exports, which had all but stopped since early December owing to the Soviet Union's transition to the new Commonwealth of Independent States, resumed Dec. 30 and surpassed $700 million worth, according to figures at the Ministry of Trade and Industry.

The Exim bank's total loan extension, including $16 million for 22 projects on the single day of Dec. 31, also exceeded $215 million for 136 cases.

Korean firms have already shipped off $310 million worth of 26 items to the former Soviet Union as of the end of 1991. The shipment total includes $111 million by Samsung Co., followed by $50 million by Lucky-Goldstar International Corp., $48 million by Daewoo Corp. and $37 million by Hyundai Corp.

The Korean companies received $437 million worth of letters of credit for 93 items.

The number of export contracts, which hard remained at 36 to be valued at $691 million, rose to 37 and $707 million, the figures showed.

President No Urges Price, Wage Stabilization

SK0401063692 Seoul YONHAP in English 0443 GMT 4 Jan 92

[Text] Seoul, Jan. 4 (YONHAP)—President No Tae-u instructed his economy-related ministers to join forces in stabilizing prices and wages, and coping with the trade imbalance Saturday.

In their first meeting of the year, No said the government's most urgent task was to revitalize the economy and told the ministers to do their best to solve the country's economic problems.

No warned that he would check on their performance and hold them responsible for poor results, and urged the ministers to do the same with their subordinates to revitalize the civil service.

The government should keep a close eye on the flow of money to prevent corporate funds from entering political coffers and real estate speculation must be checked at all costs, he said.

Predicting industrial strife over pay hikes, No ordered the deputy prime minister to work out a concrete and persuasive plan for stable economic growth that everyone could understand.

Deputy Prime Minster and Economic Planning Minister Choe Kak-kyu, Finance Minister Yi Yong-man and Trade and Industry Minister Han Pong-su were among the participants.

Net External Debt Almost Doubles 1990 Figure

SK0401030892 Seoul YONHAP in English 0239 GMT 4 Jan 92

[Text] Seoul, Jan. 4 (YONHAP)—South Korea's net external debt was 12.16 billion U.S. dollars as of the end of October, almost double the end of 1990, and total foreign debt was 38.2 billion dollars, up 20.5 percent, the Bank of Korea said Saturday.

Total external debt rose 270 million dollars and net debt, or total debt less overseas assets, increased 790 million dollars in October, according to the Central Bank.

Foreign exchange banks consumed more overseas assets than their foreign currency borrowings, a bank official said.

Net debt doubled from 3 billion dollars in 1989 to 6.4 billion dollars in 1990 and total debt jumped from 29.4 billion dollars in 1989 to 3.17 billion dollars in 1990.

Heavier foreign debt was a natural consequence of a growing current account deficit, the official said.

Construction Material Imports Increase 29.7%

SK0401063492 Seoul YONHAP in English 0446 GMT 4 Jan 92

[Text] Seoul, Jan. 4 (YONHAP)—Imports of construction materials and equipment surged 29.7 percent to 5.96 billion U.S. dollars last year, the Trade and Industry Ministry said Saturday.

They accounted for 8 percent of South Korea's total imports during the first 11 months of 1991, up 0.8 percent from 1990.

Import growth peaked at 43.8 percent in June and slowed to 12.3 percent in September and 10.4 percent in November, the ministry said.

Imports of wood, cement, stone, iron rods and other raw materials topped 5.36 billion dollars, up 30.5 percent from January-November 1990.

Imports of trucks, bulldozers and other construction equipment, which rose 156.4 percent in 1990, hit 499 million dollars during January-November, up 28.2 percent from the same period in 1990.

Statistics Show Drop in Construction Orders

SK0701042892 Seoul YONHAP in English 0226 GMT 7 Jan 92

[Text] Seoul, Jan. 7 (YONHAP)—Calm began returning to the business community recently with a drop in construction orders and permits and a slide in facility investment and consumption, though industrial production and shipments showed growth.

Industrial production posted an 8.5-percent year-on-year gain in November and shipments increased 12.1 percent, compared with average growth rates of 5.6 percent and 6.8 percent in the third quarter of 1991, the Office of Statistics said Tuesday.

Factories operated at 80.3 percent of capacity, up from 79.4 percent in the third quarter.

In the first 11 months, production grew 8.4 percent and shipments rose 10.7 percent, down from 8.8 percent and 11.2 percent in the same period of 1990, indicating that business was tranquil.

Construction permits in November were off 43.6 percent from a year earlier and domestic construction orders fell 17 percent.

Permits for commercial and industrial buildings increased but those for residential construction fell 70.9 percent.

Orders for civil engineering projects, including road and subway construction, increased 21 percent but those for buildings declined 35 percent.

Machinery orders for facility investment rose 10.6 percent from a year ago thanks to favorable business in the shipbuilding and automotive industries and shipments of machinery to domestic buyers grew 6.5 percent, but permits for machinery imports dropped 58.3 percent in November.

Consumption also slowed in November. Retail, wholesale and resale growth was 8.7 percent.

Employment in the construction and service sectors increased steadily, while it continued to decline in the manufacturing, mining and agricultural industries.

The average number of employees in a manufacturing company was down 11,000 from november last year, but in the construction industry rose 179,000. The wholesale and retail sectors added 233,000 employees and the service industry expanded by 189,000 employees.

The leading business index, which indicates conditions two to three months ahead, rose 0.5 percent and the coinciding index, which mirrors the present business situation, gained 0.9 percent from october. Unemployment remained at 2.2 percent.

The office said a business slowdown was likely for the time being with sluggish construction and weak domestic consumption and facility investment.

Ministry To Freeze LPG Prices Through Mar

SK0701041792 Seoul YONHAP in English 0108 GMT 7 Jan 92

[Text] Seoul, Jan. 7 (YONHAP)—The government has decided to freeze the price of liquefied petroleum gas [LPG] until June even though Saudi Arabia will raise its prices 34.6 percent this month, an official at the Energy and Resources Ministry said Tuesday.

Samarec, the state-run Saudi LPG exporter, had notified Korean petrochemical companies that it was raising the free-on-board export price of propane to 191.87 U.S. dollars a ton from 141.35 dollars and of butane to 176.06 dollars a ton from 139.41 dollars, they said.

Though international oil prices have stabilized at 16 dollars a barrel, the LPG price hike was designed to partly absorb premiums on the spot market, they said.

The increase is expected to cost Korean companies premiums worth 29.5 billion won (38.8 million dollars) in the first quarter of 1992, but the premiums would almost disappear during the off-season before rebounding in the fourth quarter, they said.

The government hopes to contain LPG prices until the end of March and will think about a raise in the second quarter in consideration of price changes on the international market.

Survey: Almost All Koreans Oppose Rice Imports

SK0601033992 Seoul YONHAP in English 0106 GMT 6 Jan 92

[Text] Seoul, Jan 6 (YONHAP)—Almost all South Koreans think the rice market should not be opened "under any circumstances," according to the results of a poll released Monday.

Of 1,501 adult Koreans questioned nationwide, 91.2 percent said rice should not be imported under any circumstances and 8 percent said it could be imported on a restricted basis.

Only 0.5 percent favored full opening of the rice market, according to Korea survey Gallup Polls Ltd., which conducted the poll for the National Agricultural Cooperatives Federation.

The strongest feelings were expressed by students, who were 95.2 percent opposed to any rice imports, and by farmers, 97.8 percent opposed.

Most respondents said they doubted the safety of foreign agricultural products being imported to the country.

A majority of 53.9 percent said the safety problems with foreign agricultural products were serious and 38.8 percent said there were some safety problems.

Asked about agriculture's role in protecting the environment, 41.5 percent said it was very significant and 43.8 percent said it was somewhat significant.

General Elections Set for 'Around' 20 Mar

SK0401130192 Seoul YONHAP in English 1157 GMT 4 Jan 92

[Text] Seoul, Jan. 4 (YONHAP)—The government and the ruling Democratic Liberal Party (DLP) have decided to hold general elections around March 20, a senior DLP official said Saturday.

He said the decision was prompted by the jitters that the election campaigning might be overheated if the elections were delayed too long.

The DLP also believes it to be more advantageous on its part to bring forward the voting date nearer to the announcement of party nominations in view of the moves in some quarters of the political bloc to create new parties, he said.

The advancement of the elections is also being considered out of the need to prevent the eletions from being marred by possible vote- buying drives, he said.

The official, who wanted to remain anonymous, said the leadership of the ruling party would be able to settle intraparty feud over nomination of the party's presidential candidate by Jan. 20. President No Tae-u and Kim [given names not provided] will meet on Jan. 10 and No will give a New Year's press conference on Jan. 13.

The DLP plans to start receiving applications for party nomination for the general elections around Jan. 20 and finish selection as soon as possible, he said.

He said his party already completed surveys on all district party chapters with a view to sorting out vulnerable chapters in which replacement of chairman is needed. The party secured two to three alternate candidates for each of those chapters, he said.

Kim Chong-pil Boycotts Meeting With No Tae-u

SK0601102292 Seoul YONHAP in English 0946 GMT 6 Jan 92

[Text] Seoul, Jan. 6 (YONHAP)—Tempers flared among members of President No Tae-u's Democratic Liberal Party [DLP] over the weekend over No's plan to pick the DLP presidential candidate before the general elections in March.

No has reportedly almost made up his mind that DLP executive chairman Kim Yong-sam will be his choice to represent the party in this year's presidential race.

Kim Chong-pil, one of the DLP's three co-chairmen, boycotted an official meeting of party leaders Monday morning apparently to protest No's plan. He told reporters he would say nothing "until No's real intention is revealed clearly."

Twenty-nine of the 33 members of Kim Chong-pil's faction met at a Seoul hotel Monday afternoon to reaffirm the faction's determination to elect No's successor through an open, free competition in a national party convention after the general elections and to urge an end to the matter before the general elections.

DLP Reps. Yi Chong-chan and Pak Chol-on, who have their own presidential ambitions, moved to form a united front to block the selection of a candidate before the elections.

Yi is head of the new politics group and Pak, a relative of No's, is leader of the controversial Laurel fraternity. The two discussed their plans to counter No's move on Sunday.

Yi's associates and members of Kim Chong-pil's faction were to meet Monday evening and make plans to jointly request a meeting of the party affairs committee on Wednesday at which they would demand the DLP presidential candidate be chosen in a free, fair and open vote after the general elections.

"It is anti-times and anti-democratic to present to the public a ruling party presidential candidate picked in a closed-door political bargaining session," Pak said. "If such a thing does happen, I will unite with anyone to oppose it."

No is to meet with Kim Chong-pil and Pak Tae-chun, the third co-chairman, this week to discuss the matter and seek their cooperation.

"No will explain to co-chairmen Kim and Pak that he has to name the candidate in order to win the general and presidential elections," a high-ranking source in the party said.

No sent Choe Yong-chol, his special assistant for politics, to Kim and Pak on Saturday to explain his position.

After consulting with them, No will talk to Kim Yong-sam.

No and Kim Yong-sam are expected to discuss whether to hold the nominating party convention before the general elections, as Kim demands, and talk about the political timetable.

No is expected to explain his plan to name Kim as the ruling party's presidential candidate.

DLP Feud Over Presidential Choice Intensifies

SK0701101292 Seoul YONHAP in English 0847 GMT 7 Jan 92

[Text] Seoul, Jan. 7 (YONHAP)—A factional feud in the ruling Democratic Liberal Party [DLP] intensified Tuesday as factions failed to narrow their differences over the issue of the party's next presidential candidate.

The intraparty feud, which had been simmering for months, erupted into the open this week when President No Tae-u was reported to be considering supporting Kim Yong-sam, the party's executive chairman and former opposition leader, as the DLP's choice for the next president.

But many DLP lawmakers belonging to No's own faction and followers of Kim Chong-pil, a co-chairman of the party, came out strongly opposing the move. They demanded that the party pick its presidential candidate through free competition after the parliamentary elections.

Kim Yong-sam and his followers, on the other hand, have been insisting that the presidential candidate be named at a party convention before the general elections scheduled tentatively for April.

Opponents of Kim Yong-sam, however, demand that the national convention be held after the parliamentary elections so that the party could have enough time to groom its standard bearer in the presidential election later this year.

According to party sources, No, who is also president of the DLP, hopes to resolve the dispute by making a possible candidate "visible" to the public before the general elections.

The president is thinking along this line in order to stave off a split of the party which was formed only in less than two years ago on Feb. 9, 1990, through a merger of the then ruling party Democratic Justice Party led by No, the Reunification Democratic Party led by Kim Yong-sam and the New Democratic Republican Party led by Kim Chong-pil.

President No is expected to invite Kim Chong-pil and Pak Tae-chun, another co-chairman of the party, to Chongwadae soon to explain his plan on the issue of the presidential candidate, the party sources said.

The sources said the president believes that both Kim Chong-pil and Pak would not oppose his plan after all and will relay his intention to their followers.

Despite the presidential efforts, however, followers of Kim Yong-sam still insist that their leader be named presidential candidate at an early date because there is not any guarantee that Kim would get the nomination after the general elections, they said.

Meanwhile, factions led by No and Kim Chong-pil held a series of meeting Tuesday to reaffirm their opposition to the president's plan to make Kim Yong-sam "visible" as the party's presidential candidate. They also decided to continue their demand for a free election of the candidate at a party convention after the general elections.

Hyundai Founder To Establish New Political Party

SK0401022692 Seoul YONHAP in English 0128 GMT 4 Jan 92

[Text] Seoul, Jan. 4 (YONHAP)—Chong Chu-yong, former honorary chairman of the Hyundai business group, announced Saturday he will go into politics in earnest to help reform the nation's "political climate."

The 77-year-old founder of the conglomerate said, however, he has no intention of running for office either in general or presidential elections.

At a press conference at his home, Chong said he plans to set up an office in mid-January and announce the establishment of a new political party at the end of the month.

Declaring that he isn't interested in tying up the proposed party with existing political groups, Chong will actively lead the party and help "new and original politicians run in the general, local and presidential elections."

But Chong said his party will not field candidates in all districts in these elections. Instead, he intends to select candidates with strong possibility of winning the elections, Chong said.

Asked whether he could name some possible candidates, Chong simply repeated: "They would be new and original politicians." When they are selected, they will announce their candidacy themselves, he added.

Pressed further to define what he called "refreshing" politicians, Chong said he meant them to be those who have gone out of politics with the belief that politics in the past were heading in the wrong direction.

They include former members of both ruling and opposition parties, said Chong, who announced his retirement at the end of last month from Hyundai's management to begin a "new venture."

As for the formation of district chapters of his planned party, Chong said he intends to establish them after the existing parties nominated their candidates for the general elections believed to be scheduled for March.

Reiterating his motive for going into politics, Chong said he wanted to help change the nation's political environment using his "creativity and abundant experience as a farmer, laborer, manager of a small and large enterprises."

Chong said he would not waste money in his new endeavor because he earned it "in a hard way." To help the country hold clean elections is one of the reasons for him to go into politics, he added.

Chapters Planned in 50 Districts

SK0401133992 Seoul YONHAP in English 1233 GMT 4 Jan 92

[Text] Seoul, Jan. 4 (YONHAP)—The new political party which industrialist Chong Chu-yong has sworn to inaugurate by the end of this month will have its chapters in more than 50 districts and field over 100 candidates in the coming general elections, one of Chong's close aides said Saturday.

The party, tentatively named "Kukmin-Tang (National Party)," plans to embrace some of the politicians to be be dropped out of the nomination races in the ruling and opposition parties and fresh politician hopefuls, he said.

The party will seek to win at least 50 seats in the elections, far more than 20 seats required for forming a negotiating body in the National Assembly.

The aide, speaking on condition of anomymity, did not rule out the possibility of the new party accepting the politicians who worked for former President Chon Tu-hwan. He said, "men of the Fifth Republic would not be rejected as long as they have will to open an era of new politics."

Some 60 politicians and businessmen will attend a founder members meeting of the new party around Jan. 10, he said.

He made clear that none of the existing members of the Demorcatic Liberal Party and the opposition Democratic Party were included in the list of the founder members.

It was also learned that Chong himself may run for office in the general elections in Seoul's Chongno constituency after getting Yi Nae-hon, president of Hyundai Construction and Engineering Co., to establish a district chapter there.

Chong Mong-chun Quits DLP To Join New Party

SK0701055192 Seoul YONHAP in English 0507 GMT 7 Jan 92

[Text] Seoul, Jan. 7 (YONHAP)—Rep. Chong Mong-chun of the ruling Democratic Liberal Party resigned Tuesday to join the new party being formed by his father, Hyundai Group owner Chong Chu-yong.

The lawmaker told reporters he felt it difficult to live up to a historic mandate as the political situation was being swept by economic and political changes at home and abroad.

"There is on a move to form a new political force by devoted and energetic people, and I would like to join them in the task," he said.

Chong, 41, became a lawmaker for the East Constituency of Ulsan, South Kyongsang Province, in 1988.

Rep. Kim Kwang-il, an independent since a merger of opposition parties last year, is seeking to join Chong's party, one of Kim's close aides said Tuesday.

Kim was quoted as telling his supporters in Pusan Monday that he offered to actively promote preparations for the party when he met with the 76-year-old Chong in Seoul a while ago.

Chong's party is tentatively named the National Party and will be controlled by a collective leadership, Yonhap has learned.

Kim told Chong he would join on condition the magnate not exercise total control over the party, the aide said.

Kim Tae-chung Warns of Dual Executive System

SK0401005292 Seoul THE KOREA HERALD in English 4 Jan 92 p 2

[Text] Chief opposition leader Kim Tae-chung warned against what he called a political ploy by the ruling camp to introduce a dual executive system of government.

While speaking at a ceremony marking the start of official work at his Democratic Party [DP] headquarters yesterday, Kim argued that the much-rumored political scheme is becoming a reality.

The government is preparing to cash in on an inter-Korean summit to push for a constitutional revision in favor of a dual executive system, Kim said. "The parliamentary form of government the ruling camp is promoting is only a disguise for a dual executive system."

The dual executive system generally means a French-style presidential-cabinet form of government in which the president wields decisive powers in foreign and military affairs and the prime minister is mainly responsible for social and economic affairs.

For the new year, Kim said, his party will exert all efforts to block a constitutional rewriting and eradicate corrupt election practices and regional discrimination.

The DP's three main goals for the new year are to restore morality in politics, revitalize the national economy and improve the quality of life, the opposition leader said.

He stressed party solidarity in order to win a series of elections scheduled for his year. He said he will lead the party in harmonious cooperation with DP co-leader Yi Ki-taek. Kim and Yi merged their parties to create the DP last September.

The long march has started toward victory in the elections, Yi told some 100 party members. Yi proposed a toast calling for all party resources concentrated on successful election campaigns.

DP Criticized Over 'Donations' From Nominees

SK0601020492 Seoul THE KOREA HERALD in English 6 Jan 92 p 2

[By reporter Sin Yong-pae]

[Text] Despite criticism from the public and the press, the Democratic Party [DP] is going to receive "donations" from persons nominated to proportional representation seats, a move that was previously considered to promote corruption.

The party will also distribute the national-constituency nominations to "socially prominent figures" and party affiliates.

The plan calls for the nomination of about 30 people as candidates for the national constituency in the parliamentary elections expected in the parliamentary elections expected in late March, said DP co-leader Yi Ki-taek at a recent news conference in Pusan.

Of the 30 nominations, he indicated, 10 will go to those who make financial donations to the party and another 10 will be distributed to socially prominent figures like famous university professors. The remaining 10 will be given to the party members who have made the "great contribution" to the party.

A considerable number of legislative seats are apportioned to parties according to the number of lawmakers elected in direct popular voting, under the newly revised law on parliamentary elections. The ruling and opposition parties have repealed the controversial clause of the law under which the majority party was automatically given half of the national-constituency seats.

Under the law, 62 lawmakers, or about 20 percent of the total parliamentarians, will be picked from the national-constituency system. Two hundred and thirty-seven lawmakers are chosen in direct popular voting.

The national-constituency formula was instituted in the country in 1963 by then President Pak Chong-hui with the aim of sending competent persons from various walks of life to the national legislature.

Opposition parties used to "sell" proportional representation seats to ease financial difficulties and to raise funds for election campaigns.

The money-starved opposition DP had sought to legalize "donations" from those nominated for the national constituency in the course of revising the law on political funds. The DP, however, voluntarily retracted its demand since the party had been under fire from the public and the press.

Political sources said the national-constituency donations ranged from hundreds of million to several billion won each inn the last parliamentary elections in 1988.

Those, who made such donations, were mainly owners of small and medium companies, they said.

In a related development, the unicameral National Assembly last month passed amendments to the law on political funds as opposition lawmakers objected. It raised the annual state subsidy to political parties with parliamentary seats from the current 400 won per voter to 700 won with an additional 300 won at election time.

The DP demanded 1,000 won per voter in normal time and 2,000 won at election time.

The opposition party insisted that the grants were still not enough to ease up on its monetary crunch. DP officials said that the ruling party is still assured of a huge sum in political funds from big companies and its financial supporters' groups, while their party is denied substantial contributions from businesses.

However, Korea's largest and most in fluential newspaper, Chosun Ilbo, asked the DP to shed its "negative popular image" and cease to sell off the national constituency nominations to the rich.

A political scientist also denounced the opposition party's "sale" of parliamentary seats, saying it would hamstring parliamentary democracy.

Prof. Yi Chong-hui of Hanguk University of Foreign Studies in Seoul said that such "corrupt" practices have kept many competent people from gaining access to the party.

"I think, above all, in order to root out such bad practices, parties should promote the public management of elections," Yi said in a telephone interview.

The government party is certain to take issue with the so-called "donations" when the legislative election campaigns get under way this spring.

Burma

Article Discusses Sino-Burmese Border Trade

BK0601101792 Bangkok THE MANAGER in English Dec 91 p 72-73

[Text] Some one hundred trucks daily ply the roads to the few trading towns along the Sino-Burmese border, bringing Burmese duck feathers, chicken feed, dried fish, dried plums, betel nut and oil cake for export, according to officials and local press reports in Rangoon. On their way back, they are loaded with Chinese consumer goods such as toothpaste, soap, detergent, sugar, milk powder, flasks, crockery, lead pencils, paint, garments and fabric.

Sixteen items are not allowed in the highly regulated border trade: teak, oil, gems, rice, arms and ammunition, beans and pulses, maize, cotton, leather, groundnuts, sesame, fresh and dried prawns, ivory, cattle, elephants, horses and rare species of animals, and rubber. Nevertheless, there is a brisk trade in teak, jade and precious stones. Only the ban on cattle is really enforced by the Chinese, who are intent on preventing cattle disease.

It is arguable whether the Sino-Burmese border trade agreement, negotiated since 1984, signed on 5 August 1988 and finally implemented at the end of that year, has led to an outright increase in trade. In the early days of the opening up, the border trade turnover amounted to more than US$300m, according to Burmese Trade Minister Brig Gen David Oliver Abel, but closer to US$1bn, if trade sources are to be believed. Unofficial estimates by the World Bank now put total border trade at about US$1.5bn.

The first Burmese border town was Kyu-hkok, right opposite the Chinese outpost of Wanting (see map). The towns are linked by a Bailey bridge spanning the Nam Yan border stream, a tributary of the Shweli river. This is where the legendary Burma Road crossed the international frontier. Most of Kyu-hkok was destroyed, however, by retreating Kuomintang units in 1950. A new town, Panghsai, was built a few kilometers to the west of the original Kyu-hkok, which has become a mere suburb of Panghsai. During the 1970s and 1980s, the brisk border trade carried out unofficially between China and Burma centered on Panghsai, which was controlled by the Communist Party of Burma (CPB) until January 1987. In 1988, however, the Burmese and Chinese authorities decided to make the Mu Se-Ruili crossing the new center for border trade. Today, Panghsai is almost a ghost town. After a mutiny blew the CPB apart in 1989, the new leadership made peace with the government and arrangements were made for border trade, including through the areas still controlled by the mutineers, who are now recognized by the government as militia forces.

Nearby Mu Se has also become a trading center across the Shweli river. So has the nearby town of Namkham, where American missionary Gordon Seagrave built his famous hospital. Further down the border, the bustling border trade center of Chinsweho or Chinshwe Haw is connected to Mengting and Mengsa in China.

These four Burmese towns, which have been designated as border trading towns, can be approached by road from the Kachin state town of Bhamo and from the northern Shan state town of Lashio. Lashio has an airfield and direct road and rail links with the ancient capital of Mandalay. Also linked to Mandalay by road, Bhamo is bypassed by the northern railway line, which ends at Myitkyina.

To improve communications, China and Burma have agreed to build two bridges, one over the Shweli at Mu Se (see pp 71-72), the other over the Nam Ting near Chinsweho, to connect the districts of Kokang and Northern Wa.

The two countries also agreed to build highways across the common border to facilitate trade. Yunnan, which has long supplied electricity to Panghsai, is now also supplying Mu Se and Namkham.

During his last visit to Rangoon, at the end of September, Yunnan Governor Jin Ren-qing had top-level discussions on expansion of economic and trading ties and on cooperation in transport, communications and electricity supply.

Border cooperation was given a boost at the end of 1989, when Yunnan and Burma signed eleven contracts involving exploitation of forest and mineral products, jade processing, tourism and road development, garment manufacturing and creation of trading companies and factories.

According to agreements reached so far, Yunnan is establishing department stores in Lashio and Mandalay, and Burmese department stores will be selling Chinese goods. Yunnanese companies will be able to open branches in Burma, and Chinese tourists will be allowed in Rangoon and Burmese tourists in Kunming. Official records also mention the joint exploration of tin in Namkham, and the setting up of a coal trading center at Lweje (or Loije), in Momauk Township in the Kachin state, right on the Chinese border. Kachin insurgents attacked the Lweje site last year, however; one Chinese mining engineer was killed, and the Chinese have scrapped the project.

Since 1 June 1990, the license fee on transit cargo has been waived. Chinese goods are reaching the Thai-Burmese border, and goods from Thailand, the Sino-Burmese border. How important these flows are is hard to assess.

To further promote border trading, the Burmese government has empowered trading offices in the border towns to issue import and export permits to traders under various systems: normal import and export; import first, export later; import and export on a consignment basis; simultaneous import and export; and relaxed border trading. Routine and normal import-export permits are to be handled by the border trading offices, and border trading permits by the border traders association in each town, according to an official announcement effective since 1 October.

Meanwhile, Burma and Laos have agreed to open up border trade and cooperate in the control of drug trafficking in border areas. The two countries agreed to demarcate their common border, which follows the course of the Mekong river (see pp 74-75).

The first reference marker was erected between the Burmese village of Wan Pong and the Lao village of Meng Mao on 15 October, following the demarcation of the boundary from the Burmese-Lao-Thai junction to a point some sixty kilometers north. This first demarcation phase was carried out between October 1990 and May 1991. The second phase, to demarcate the remaining stretch of the 234km-long boundary, has just started and will last until May next year.

General Khin Nyunt Addresses University Staff

BK0601103992 Rangoon Radio Burma in Burmese 1330 GMT 5 Jan 92

[Opening address by Major General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council, in his capacity as chairman of the Myanmar [Burma] Education Committee, at a meeting with university staff on 5 January at the Universities Central Council Hall, Rangoon—recorded]

[Excerpts] Members of the Myanmar Education Committee, chairman of the Yangon [Rangoon] Division Law and Order Restoration Council, rectors, vice rectors, professors, and faculty members from universities in Yangon Division: At today's meeting with university staff, I would like to speak on a few matters that I should explain. It has been over three years since our State Law and Order Restoration Council [SLORC] Government—the military government—led by Senior General Saw Maung assumed state powers. During the period of over three years, as witnessed by all, we have been endeavoring to work for the country's progress. Our work covered border region development, narcotic drug control work, education, health, and economic development. [passage omitted]

We are working in the interests of the population of over 40 million people, as well as for maintaining local peace, tranquility, and law and order. As seen by all, despite attempts from the side aimed at division, we strive to safeguard the Union, and despite assorted undesirable influences from the side aimed at undermining [our work], we continue to promote patriotism and Myanmar national spirit.

We are are carrying out these tasks in the full spirit of nationalism in the interests of our people and our country and in order to prevent our country from falling over the brink. I am repeating this in order that all know this.

We know that a small group of youths and students and some public servants who hold negative attitudes and views are still trying to undermine the work of SLORC. However, we repeatedly try to reform and educate them with metta [loving kindness]. Despite this, some still have not learned their lesson. There are those persons who do not have a clear view, those who are extreme in their personal attachment, those who look up to things foreign, and those who are greedy and immoral. It has become a burden for us to gradually purge these elements. We are having to waste our energy—which should be used for national construction and development tasks—on these improper actions. Let me inform all today that the SLORC will continue to march toward its stated goal with full zeal and diligence without flinching.

The Defense Services—the SLORC—has no political or military difficulties. Some major powers are trying to fabricate things to create difficulties for us. No matter how much they try to create difficulties, we will continue with our stance and work toward our goal. No matter what kind of difficulties and problems we confront, we shall overcome. We shall continue our momentum toward annihilating insurgency as well.

I would now like to address authorities responsible for education at different levels. [passage omitted]. To reiterate the speeches, I should like to stress that the state has no intention of keeping schools closed for a long period. The state government alone is not responsible for the reopening of schools. It is the joint responsibility of teachers, parents, and students. Hence, I had addressed education authorities on matters related to education on many occasions. The teachers were mainly responsible for giving guidance and control to students and ensuring the peaceful pursuit of education when the schools reopened. We have found, however, that there have been many shortcomings on the part of teachers in giving guidance and control to students. I had spoken on education on many occasions in the past. Likewise, SLORC Chairman Senior General Saw Maung also had made addresses on the issue. [passage omitted] If the teachers accept and follow the guidance given by Sr. Gen. Saw Maung on education, the goal of peaceful pursuit of education can be realized.

I shall reiterate a few points related to the recent closure of schools in order to inform the university rectors, professors, lecturers, and teaching staff. The situation regarding the closure of schools was explained during my meeting with public servants on the current political situation, which was held at the Defense Ministry on 24 December 1991.

As known to all, following student demonstrations on 10 and 11 December 1991 at the Yangon [Rangoon] University, universities were closed effective 12 December. It was found that these events were preceded by the circulation of fabricated reports and propaganda among the students and youth. According to the findings of our investigations, fabricated reports and propaganda appeared in the form of posters, graffitti in lavatories, and writings on the university walls since the beginning of December, and a group of 10 youths was responsible for all of these. Not all of them were university students. There were some youths from outside. We found that these youths called themselves members of leftist literature study groups, and they are so-called politicians who dream. There were only four students in this group.

There were other student groups who were waiting for mob unrest. One group is composed of members who once belonged to unlawful unions known as Pa-Ka-Tha [expansion unknown], Nga-Ka-Tha [expansion unknown], Ya-Ka-Tha [Yangon University Students Union, and Ma-Ka-Tha-Pha [All Burma Student Union]. This group has about 15 members. Another group formed a political party when the right to form political parties was allowed. When the university reopened, they quit the party and again attended university. There is another group which returned to the university after some political parties were deregistered for various reasons. There were about 10 to 15 persons who were waiting for disturbances.

There were others who attended schools after they returned from jungle camps without reporting to authorities concerned and maintained contact with the ABSDF [All Burma Student Democratic Front] and remained under its influence. Four members from this group were exposed and arrested in connection with the demonstrations. [passage omitted]

When we reached the stage when security forces were called in to control the situation, we heard comments made by people and teachers who did not have clear views. This is undesirable. This is a bad and incorrect attitude. As for us, we have to prevent the danger by solving the problem while it is still small. [passage omitted]

The Defense Services have firm responsibilities and duties and are marching along the correct and cherished path of national politics. The Defense Services have serious objectives in the long-term interests of the entire nation, and are unflinchingly marching toward its goal with zeal and firm determination.

In teaching a subject, teachers must follow the syllabus which is used uniformly throughout the country. If they deviate from the set syllabus, the students will suffer. Similarly, if there is no firm constitution in a country, that country will suffer and face enormous problems. Regardless of which government or political party comes into power, it has to administer the country based on the constitution. If the [government] contravenes and oversteps the constitution, the country will suffer. That is why the Defense Services are at present working for the emergence of a firm constitution. [passage omitted] I urge you to correctly understand the work of the military government. It is about time to understand and analyze the cause and effect and pros and cons. Please work toward the reopening of schools in the interest of the majority of the students, parents, and the general public. [passage omitted]

Commission Revokes Status of More NLD MPs

BK0701081392 Rangoon Radio Burma in Burmese 1330 GMT 6 Jan 92

[Announcement No. 996 of the Multiparty Democratic General Elections Commission of the Union of Myanmar, dated 6 January 1992]

[Text] The Multiparty Democratic General Elections Commission of the Union of Myanmar [Burma] issued Announcement No. 996 on 6 January 1991.

Subject: Nullification of the status as People's Assembly Representatives of four persons who infringed Section 11-J of the People's Assembly Election Law.

1. The following persons from the National League for Democracy [NLD], who were elected as People's Assembly Representatives during the multiparty democratic general election on 27 May 1990 have been found guilty of the offenses listed below:

A. U Thaung Myint, 5/KHAUNA-NAING 001796, Kin-U Township constituency-2, Sagaing Division—Section 122-1 of the Penal Code.

B. U Thein Tun, 7/TAKANA-NAING 003536, Thegon Township constituency-2, Pegu Division—Section 122-1 of the Penal Code.

C. U Aung Than Myint, ISN057218, Myaing Township constituency-1, Magwe Division—Section 122-1 of the Penal Code.

D. Daw Ohn Kyi, IMPA 066343, Myittha Township constituency-1, Mandalay Division—Section 122-1 of the Penal Code.

2. They are found to have infringed Section 11-J of the People's Assembly Election Law and hence no longer have the right to continue to be People's Assembly Representatives. Their status as elected representatives has been nullified.

3. It is also hereby announced that in accordance with Section 80-A of the People's Assembly Election Law, the four persons mentioned in Section 1 shall no longer have the right to run for elections in the future.

By the authority vested in me,

Signed: Aye Maung, secretary

Brunei, Malaysia & Singapore

Malaysia

U.S. Explanation of Naval Transfer Reported

BK0601152592 Kuala Lumpur Radio Malaysia Network in Malay 1430 GMT 6 Jan 92

[Text] Malaysia has expressed regret over Singapore's attitude of not informing it about the U.S. intention to transfer its naval logistics facilities from the Philippines to the Republic. Defense Minister Datuk Sri Najib Tun Razak said this at a news conference in Kuala Lumpur. He said Malaysia was informed of this only one day before President Bush made the announcement last Saturday. Up until now, Singapore has yet to inform Malaysia about this matter.

He said that, as a member of ASEAN, Singapore needs to inform its neighbors if it desires to allow its military facilities to be used by foreign countries. However, the United States has given its assurance to Malaysia that the transfer of the 73d Headquarters Task Force personnel was only an administrative step in an effort to oversee the servicing and repairs of its vessels in the region. The assurance was given by the U.S. ambassador in Kuala Lumpur, Mr. Paul M. Cleveland, and a commanding officer of the U.S. Air Force of the Pacific Region, General G. Adams, when they called on Datuk Sri Najib at the Defense Ministry today. Datuk Sri Najib said Malaysia was satisfied with the explanation given.

In another development, Singapore's Foreign Ministry spokesman stated that the subject of establishment of a U.S. naval base in the Republic did not arise. This is because the U.S. only planned to transfer a group of its naval logistics command personnel from Subic Bay to Singapore. The spokesman said that the Foreign Ministry officials had briefed the ASEAN diplomats in Singapore concerning President Bush's visit. ASEAN ambassadors were informed that President Bush had given the assurance that America desires to maintain its presence in this region even though it has to leave Subic Bay.

Defense Exercise With Singapore Begins 7 Jan

BK0701092192 Kuala Lumpur NEW STRAITS TIMES in English 6 Jan 92 p 5

[Text] Kuala Lumpur, Sun. —Malaysia and Singapore will hold a combined one-day air defence exercise over Peninsular Malaysia and Singapore on Tuesday, under the terms of the Five Power Defence Arrangements (FPDA).

The exercise, code-named Minor ADEX 92-1, will be coordinated by the Headquarters Integrated Air Defence System (HQIADS) which is located at the RMAF [Royal Malaysian Air Force] Butterworth under the command of air vice-marshal K.J. Tuckwell.

According to a Press release from the Ministry of Defence, the exercise is a practice for the air defence forces of the two countries to preserve the integrity of their airspace against a simulated external air threat.

Military aircraft from Malaysia and Singapore will act both as defenders and attackers during the exercise.

The aircraft and air defence units participating in the exercise include the Royal Malaysian Air Force's F5E, A4PTM, P C 7 and MB339 and the Republic of Singapore Air Force's F16, F5e, A4S, Hunter, S211, C130, SH7, UHIH, Super Puma and Ecureil.

Singapore Air Defence Artillery will deploy Improved Hawk Missile System.

Singapore

Yang Shangkun Arrives, Receives State Welcome

BK0701120892 Singapore Singapore Broadcasting Corporation in English 1100 GMT 7 Jan 92

[Text] Chinese President Yang Shangkun says relations between his country and Singapore have been developing smoothly in recent years. He said due to concerted efforts, the operations of various fields have also been fruitful.

Mr. Yang, who is in Singapore for a four-day state visit, is also the first head of state from China to visit the republic.

He was received at Changi Airport by Deputy Prime Minister Mr. Ong Teng Cheong, who is also the minister-in-attendance.

President Yang said he hoped to further promote friendship and consolidate the existing friendly relations, and cooperation during his stay.

Shortly after President Yang's arrival, the prime minister, Mr. Goh Chok Tong, paid him a courtesy call. He was also given a state welcome at the Istana [Palace] where the Chinese leader called on President Wee Kim Wee.

The Chinese leader's visit is at the invitation of President Wee. This is the first highest level visit by a Chinese leader since diplomatic relations were established in October 1990.

President Yang is accompanied by a delegation of some (?50) members. This includes the vice premier of the State Council, Mr. Wu Xueqian.

President Wee will host a state dinner for President Yang this evening.

Cambodia

UNTAC, U.S. Lifting of Trade Embargo Viewed

BK0701015892 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 6 Jan 92

[Text] On 4 January in Singapore, U.S. President George Bush announced the lifting of the economic embargo on Cambodia.

This statement by President Bush clearly emphasizes the U.S. decision to allow the resumption of U.S.-Cambodia economic and trade contact, which will be favorable to the reconstruction of Cambodia.

However, the Cambodian people, who have suffered untold misery due to the Vietnamese war of aggression in the past 13 years and who want to rebuild Cambodia, are waiting for implementation of the Paris agreement on Cambodia.

The Cambodian people are of the opinion that the Vietnamese war of aggression against Cambodia can be ended and reconstruction of Cambodia is possible only with correct implementation of the Paris agreement.

According to the Paris agreement dated 23 October 1991, there are two bodies responsible for implementation of this agreement—namely, the Supreme National Council [SNC] headed by Samdech Norodom Sihanouk, Cambodia's chief of state, and the UN Transitional Authority in Cambodia [UNTAC].

This agreement has not yet been implemented, the supervision on total withdrawal of all categories of Vietnamese aggressor forces from Cambodia has not yet been carried out, and the Vietnamese war of aggression against Cambodia is still going on. This is why Samdech Norodom Sihanouk, Cambodia's head of state and chairman of the SNC, has persistently appealed for an early dispatch of the UNTAC to Cambodia so it can join with the SNC in effectively and correctly implementing the agreement through to the end.

SRV Envoy to SNC Calls on General Bou Thang

BK0201161492 Hanoi VNA in English 1544 GMT 2 Jan 92

[Text] Hanoi VNA Jan. 2—Vietnamese Ambassador to the Supreme National Council (SNC) of Cambodia Tran Huy Chuong paid a courtesy visit Wednesday to General Bou Thang, permanent member of the Cambodian People's Party Central Committee, vice-chairman of the Council of Ministers and chief of the General Political Department of the People's Army of the State of Cambodia.

Ambassador Tran Huy Chuong reaffirmed Vietnam's stance to implement the Paris peace agreement on Cambodia on the basis of respect for the Cambodian people's rights and the UN charter. He pledged to do his best to further promote the traditional friendship and cooperation between the two countries.

General Bou Thang informed the Vietnamese diplomat of the implementation of the Paris peace agreement over the past three months, and renewed the State of Cambodia's determination to strictly observe the agreement to achieve national reconciliation and right to self-determination and to build an independent, peaceful, neutral and non-aligned Cambodia.

He said that the State of Cambodia persists in its policy to develop the friendly and cooperative relations with Vietnam.

French Parliamentary Delegation Arrives for Visit

BK0401122892 Phnom Penh SPK in French 1107 GMT 4 Jan 92

[Text] Phnom Penh 4 Jan (SPK)—A French parliamentary delegation led by Mr. Vauzelle, chairman of the National Assembly Foreign Affairs Committee, arrived this morning for a four-day visit to Cambodia.

The delegation was welcomed at Pochentong Airport by Mr. Phi Thach, deputy foreign minister, and several members of the State of Cambodia's National Assembly.

Mr. Vauzelle will pay a courtesy visit to Prince Norodom Sihanouk, head of state and chairman of the Supreme National Council [SNC] of Cambodia, and meet with other Cambodian leaders, chiefly Mr. Chea Sim, chairman of the Cambodian People's Party [CPP] Central Committee and the National Assembly; Mr. Hun Sen, chairman of the Council of Ministers; and Mr. Hor Namhong, foreign minister.

The French parliamentary delegation is also scheduled to meet Mr. Son Sann, leader of the Khmer People's National Liberation Front—a Cambodian national resistance faction—and Prince Norodom Ranariddh, leader of the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia.

Mr. Vauzelle will pay a visit to the French military contingent taking part in the UN advance mission in Cambodia [UNAMIC] and meet with representatives of the French nongovernmental organizations stationed in Phnom Penh.

Mr. Vauzelle's visit to Cambodia is taking place a few days after the visit by U.S. Congressman Stephen Solarz and the appeal launched by the SNC for an immediate dispatch to Cambodia of the first contingent of the UN Transitional Authority in Cambodia [UNTAC] for the implementation of the peace accord.

In a message of new year greetings, the French president has assured Prince Sihanouk of France's support for the Cambodian peace process. Besides, the Russian Foreign Ministry has also announced that Russia is prepared to take part in an immediate deployment of the UNTAC contingent in Cambodia.

Meets Hun Sen

BK0501071492 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 4 Jan 92

[Text] On the morning of 4 January, His Excellency Hun Sen—vice chairman of the Cambodian People's Party Central Committee, chairman of the State of Cambodia's Council of Ministers, and member of the Supreme National Council [SNC] of Cambodia—held talks with Mr. Michel Vauzelle, chairman of the French National Assembly Foreign Affairs Committee, who is leading a French parliamentary delegation to visit Cambodia from 4 to 7 January.

The purpose of Mr. Michel Vauzelle's visit is to become acquainted with the developments of the current situation in Cambodia and to assess France's relations of friendship and cooperation with the country.

At the meeting, Mr. Michel Vauzelle praised H.E. Hun Sen for his significant role in the search for a solution to the Cambodian problem. He said his visit is being made at a time when the Cambodian peace process is making headway, adding that his mission is to bring in collective support for Cambodia from all political persuasions within the French National Assembly.

In his reply, H.E. Hun Sen thanked the French side for its attention to bringing about a peaceful settlement for Cambodia. He stressed that now that the implementation of the Paris accord on Cambodia had resulted in favorable movement in the Cambodian peace process, he said that he himself as well as other SNC members had called for an early dispatch to Cambodia of a UN peacekeeping force to monitor the execution of the peace accord on Cambodia signed in Paris on 23 October 1991.

Delegation Calls on Sihanouk

BK0501065492 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 5 Jan 92

[Text] On the morning of 4 January 1992, at the Khemarin Palace, Michel Vauzelle, chairman of the Foreign Affairs Committee of the French National Assembly, called on Samdech Preah Norodom Sihanouk, head of state of Cambodia and chairman of the Cambodian Supreme National Council. That was on the first morning after his arrival, and that of his colleagues, in Cambodia.

On this occasion, Samdech Preah Norodom Sihanouk welcomed and expressed admiration for the French Government for its active contribution to the search for peace in Cambodia, the revival of independence, and the achievement of national reconciliation in Cambodia. Samdech Preah Norodom Sihanouk said he is happy and optimistic that comprehensive relations between Cambodia and France will certainly develop in the future.

Michel Vauzelle told the samdech that on behalf of all political tendencies in the French National Assembly, he is optimistic for the consolidation and expansion of the relations of friendship, solidarity, and cooperation with Cambodia.

Hor Namhong Meets Delegation

BK0701095092 Phnom Penh SPK in English 0423 GMT 7 Jan 92

[Text] Phnom Penh SPK January 7—Foreign Minister Hor Namhong met here last Saturday with M. Vauzelle, chairman of the French National Assembly's Foreign Affairs Commission.

Hor Namhong told his guest [of] the implementation of the peace accord signed in Paris on October 23 last year, saying that the State of Cambodia has its good will in implementing the agreement and insists to have the presence of the special representative of the United Nations and UNTAC [UN Transitional Authority in Cambodia] as soon as possible in view of effectively carry out the agreement.

On the contrary, he said the Khmer Rouge side had violated the agreement by opening attacks on the government positions and committing harassments against the innocent people.

The foreign minister also expressed his regret over the misunderstanding of some foreign circles that the Supreme National Council (SNC) was the government of the State of Cambodia.

He said the government of the State of Cambodia at present was the one which played an important role in carrying out the peace agreement in Cambodia.

Concerning the demobilization of armed forces of all factions, Hor Namhong said it should be done before the rainy season.

Hor Namhong also talked about the French contribution to the rebuilding of Cambodia and the cooperation of economics and culture between Cambodia and France.

In reply, M. Vauzelle said he would discuss what he had seen and heard during his visit with the French Government when he returns home.

In the evening of the same day, Hor Namhong organized a banquete in honour of the French delegation. Mr. Philippe Coste, French ambassador to the SNC was also on hand at the banquete.

Italian Foreign Minister Arrives for 2-Day Visit

BK0601122392 Phnom Penh SPK in French 1111 GMT 6 Jan 92

[Text] Phnom Penh 6 Jan (SPK)—Italian Foreign Minister Gianni de Michelis arrived in Phnom Penh at the head of a delegation this morning for an official visit to Cambodia at the invitation of Prince Sihanouk.

During his two-day stay, the head of Italian diplomacy will pay a courtesy call on Prince Norodom Sihanouk, head of state and chairman of the Supreme National Council of Cambodia. He will meet Mr. Hun Sen, chairman of the Council of Ministers, and Mr. Hor Namhong, minister of foreign affairs of the State of Cambodia, and will be Mr. Hor Namhong's guest at a banquet hosted in his honor.

This is the first visit by an Italian foreign minister to Phnom Penh since Cambodia's independence in 1953.

Before coming to Cambodia, Mr. Gianni de Michelis paid a two-day visit to Vietnam where he had meetings with his Vietnamese counterpart Nguyen Manh Cam and with Chairman of the Council of Ministers Vo Van Kiet and Vietnam Communist Party General Secretary Do Muoi.

Meets Hun Sen

BK0601130392 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1100 GMT 6 Jan 91

[Text] His Excellency [H.E.] Hun Sen, chairman of the Council of Ministers of the State of Cambodia [SOC] and member of the Supreme National Council of Cambodia [SNC], granted an audience at the cabinet of the Council of Ministers in the afternoon of 6 January to H.E. Gianni de Michelis, foreign minister of Italy, who is visiting Cambodia from 6 to 7 January at the invitation of Samdech Preah Norodom Sihanouk.

On that occasion H.E. Hun Sen informed the Italian foreign minister that the SOC Government has requested that the UN Seceretary General's special envoy and the UN Transitional Authority [UNTAC] be sent to Cambodia as soon as possible.

On the implementation of the Paris agreement on Cambodia, H.E. Hun Sen stressed that the SOC Government has focused attention on refugee repatriation, the question of [words indistinct] before the coming of the rainy season, and steps to assist the refugees. He appealed to the European Community and the Italian Government in particular to help contribute to the UNTAC budget and the support of the repatriated people. H.E. Hun Sen [words indistinct] welcomed the participation of the Italian civilian and military personnel in UNTAC.

Concerning the role of the SOC Government, H.E. Hun Sen stressed: For the time being, we are striving hard not only to end the war, but also to help the Cambodian people in three major sectors [words indistinct] the poverty of the people.

In his reply, H.E. Gianni de Michelis agreed with the problems raised by H.E. Hun Sen concerning the implementation of the Paris agreement on Cambodia signed on 23 October 1991. He affirmed that the Italian Government planned to contribute U.S.$10 million to the UNTAC budget and the process of repatriating the Cambodian refugees. He stressed that the Italian Government will accredit its diplomatic representation to the SNC in February. The Italian foreign minister went on to say that the Italian Government has made available a budget of U.S.$15 million for the economic and cultural rehabilitation of Cambodia as of 1992. On this cooperation issue, he reaffirmed that Italy will send its experts to Cambodia in February to survey Cambodia's needs in technical, energy, and humanitarian aid.

Chea Sim Greets Yasir 'Arafat on Revolution Day

BK0201070692 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 2 Jan 92

["Message of greetings from His Excellency [H.E.] Chea Sim, chairman of the Cambodian People's Party, to H.E. Yasir 'Arafat, president of the state of Palestine and chairman of the Palestinian Liberation Organization's Executive Committee, on the 27th anniversary of the Palestinian revolution"; date not given—read by announcer]

[Text] We would like to declare our steadfast and unswerving support for the just cause of the Palestinian people and the Middle East peace process with a view to enabling the Palestinian people to acquire their inalienable legal rights to establish a Palestinian state on the Arab-Palestine territory.

Sihanouk Sends Message to Robbery Victims

BK0601072292 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 6 Jan 92

[6 January message from Norodom Sihanouk to Cambodian compatriots—read by announcer]

[Text] Dear children compatriots: Yesterday, 5 January 1992, I, your Samdech Euv [Prince Father], saw on State of Cambodia [SOC] television a news report about people in a number of villages of a number of provinces in Cambodia who have fallen victim to thefts and robberies. Those victimized children compatriots lodged a protest over SoC television begging that I help them and take measures to eliminate those acts of thievery and robbery which they accused the Khmer Rouge Polpotists of perpetrating.

Concerning this problem, I, Norodom Sihanouk, your Samdech Euv, have the honor of informing my beloved children compatriots as follows:

First, I, your Samdech Euv, wield no governmental or state powers at all. I hold no administrative authority and I have no military or police forces under me. Consequently, I am in no position to personally come to the rescue of my beloved children compatriots and crack down on those bad citizens who committed those acts of thievery, robbery, and terrorism. I put all my trust in the people's authorities, people's armed forces, and people's police as well as all auxiliary units of the SoC to effectively combat, prevent, and suppress those acts of thievery, robbery, and terrorism.

Second, I beg my beloved children to keep in mind that I share their woes and suffering and I ask them to remain assured that I will always stay morally and spiritually united with all my beloved children compatriots.

Third, by virtue of the provisions of the Paris agreement on peace in Cambodia that I signed on 23 October 1991, the special representative of the UN Secretary General and the troops of the UN Transitional Authority, UNTAC, bear full responsibility for the transitional administration of Cambodia until the free general elections in 1993 or 1994. I would like to inform my children compatriots that I have repeatedly on many occasions urged the United Nations to send the special representative of the UN secretary general and UNTAC troops to Cambodia as soon as possible in order to provide protection for all my beloved children compatriots. I do not know yet when the special representative of the UN secretary general and UNTAC will come to Cambodia.

Pending their arrival, only the armed forces, police, and administration of the SoC headed by His Excellency [H.E.] Chairman Chea Sim, H.E. Chairman Hun Sen, and H.E. Chairman Heng Samrin are duty-bound to protect my beloved children compatriots against such acts of thievery, robbery, and terrorism.

Fourth, within less than one week the Supreme National Council of Cambodia [SNC] will convene its second meeting on Cambodian soil. I take the liberty of requesting that the SOC Government, with H.E. Hun Sen as chairman of the Council of Ministers, kindly send the representatives of the victims of those acts of thievery and robbery to Phnom Penh during that SNC meeting so the problem can be discussed with H.E. Khieu Samphan, whose faction has been accused.

I beg my most beloved children compatriots to accept my deepest affection.

Issued in Phnom Penh on 6 January 1992

[Signed] Norodom Sihanouk, head of state of Cambodia and chairman of the SNC

Heng Samrin Gives New Year's Address

BK0101055092 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 31 Dec 91

[New Year's message from Heng Samrin, "honorary chairman of the Cambodian People's Party and chairman of the State of Cambodia's [SOC's] Council of State"; date not given—live or recorded]

[Text] [Passage indistinct] Samdech Norodom Sihanouk, Cambodia's head of state and chairman of the Supreme National Council [SNC], who is leading the implementation of the 23 October 1991 peace agreement to bring peace to our beloved nation and motherland. The presence of Samdech Norodom Sihanouk and his wife, along with the royal family, is a fine thing that has created an atmosphere of happiness nationwide. It has also created a spirit of nationalism and national unity. This has fostered firm hope among our entire people for a glorious future for our nation and motherland.

We are very proud of the great all-round achievements in 1991. These were brilliant victories in implementation of the policies of our Cambodian People's Party [CPP]. The year 1991 registered great efforts full of the highest heroism on the part of cadres, combatants, workers, peasants, intellectuals, religious organizations, and our people nationwide who have braved and overcome all kinds of difficulties to contribute to giving society and the nation a new face, particularly the brilliant success of the extraordinary national congress of the CPP and the fruitful results of implementation of the great national union policy, which have led to implementation of the Paris agreement on Cambodia to bring peace to the nation in accordance with the aspirations of our entire party and people.

In the economic and social fields, the continued implementation by our party and the State of Cambodia's Government of a free market economy continues to create encouraging conditions for all economic sectors and has resulted in vigorous activities. Increasing numbers of investors in and outside the country have come forward with their capital. Peasants are actively engaged in production work on plots of land belonging to them.

Consequences resulting from natural disasters—floods, which damaged cultivated areas and crops and destroyed lives, houses, and the people's property in a number of provinces—have been overcome by the solidarity between the state and the people, with the sincere assistance of the international community.

On this occasion, on behalf of the CPP, the State of Cambodia's Government, and the entire Cambodian people, I would like to express most profound gratitude to friendly countries near and far, progressive organizations, humanitarian organizations, the international community, and peace- and justice-loving personalities the world over for their all-out efforts to provide full assistance and support to the cause of peace and national restoration of our Cambodian people. I would also like to express sincere thanks and best wishes to Excellencies and ladies and gentlemen—who represent the diplomatic corps, specialists, and various international organizations—for bringing moral and material support to our Cambodian people.

Compatriots, Excellencies, ladies and gentlemen, and beloved children: In the new year of 1992, in the process of developing the country and nation, as well as implementing the peace agreement in Cambodia, despite some problems we still firmly believe in our motherland's bright future. No force can stop the peace process in Cambodia. The evolution of the situation is favorable to the process of building the country and nation and restoring prosperity and happiness. Therefore, all our nation's potential and energy should be pooled together; everything for the benefit of society, country, and nation.

As host, the State of Cambodia's Government, despite encountering a lot of problems, continues to show sincerity and responsibility in restoring peace in Cambodia, promoting national reconciliation, and respecting and ensuring the people's democratic rights and human rights in accordance with the UN Universal Declaration on Human Rights.

However, to achieve good results in implementation of the Cambodian peace agreement, I appeal to all sides to remain sincere and put the interests of the nation and motherland first. Along with this, I would also like to appeal to compatriots nationwide, cadres, combatants, intellectuals, and students, and all levels of pupils to heighten their spirit of vigilance and high responsibility to cooperate with the CPP and our State of Cambodia's Government to firmly maintain stability and social order and use this as the foundation for quickly implementing the agreement to protect the people's interests and restore and build our country and nation to catch up with countries in the region.

On the occasion of the 1992 international year, I would like to wish all the best to compatriots in and outside the country and convey regards to families of fallen and disabled combatants and merited families and wish them good health and success in all tasks.

In particular, I would like to express admiration for cadres, combatants, and compatriots who are carrying out tasks to defend the nation and maintain social order for the people in remote localities and convey cordial sentiments to compatriot disabled combatants and wish a speedy recovery to those convalescing in hospitals.

Also on this occasion, I would like to convey cordial and warm sentiments to students and pupils and wish them good health and good results in their studies so they may become grateful children, good students, and good citizens of the Angkor motherland in the future.

I wish all the best to Excellencies, ladies and gentlemen, specialists, and representatives of international organizations who are carrying out noble international tasks on our land. May you enjoy good health and success.

Chea Sim Gives National Day Address

BK0701100992 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 7 Jan 92

[Speech by Chea Sim, chairman of the Cambodian People's Party, chairman of the National Assembly, and chairman of the Kampuchean United Front for National Construction and Defense National Council, at Phnom Penh mass meeting marking 7 January National Day—recorded]

[Text] My respects to all venerable monks; esteemed members of the presidium; salutations to your excellencies, ladies, and gentlemen; dear compatriots and male and female combatants:

The 13th anniversary of the 7 January National Day is the historic day when our nation was reborn, was freed from the bitter calamity of the past, and recovered all kinds of freedom to live and work for livelihood in the land of our beloved motherland. It was also the day when our State of Cambodia [SOC] came into existence.

I take the opportunity of this occasion to thank and welcome your excellencies, ladies, and gentlemen who are our foreign guests for attending today's ceremony and bringing along with you the feelings of cordial support full of solidarity and friendship for the sake of our Cambodian people's national reconciliation and peace.

I would like to extend to all my compatriots and male and female combatants throughout the country and compatriots living abroad my greetings full of deep affection and esteem. [applause]

The 13th anniversary of our people's 7 January National Day is being marked this year in a situation in which the national reconciliation policy of the SOC party and government has achieved and is achieving great successes as our people as well as international public opinion at large are optimistic with the peace process in Cambodia under the leadership of Samdech Preah Norodom Sihanouk, chairman of the Supreme National Council of Cambodia [SNC], father of the nation, and head of state of all of the Cambodian nation. [applause]

Thirteen years ago, under the leadership of the Cambodian People's Party [CPP] and with the assistance of friends near and far throughout the world, our Cambodian people rose up in a struggle to liberate themselves from the calamity of the past, winning the historic victory on 7 January 1979, which can be taken as another unforgettable birthday of the Cambodian people. Our nation, our beautiful land of Angkor was saved from disintegration. All Cambodian people were revived and were brought back into contact with all human values one more time. At the same time, the social structures were reestablished. It is true that immediately after liberation, our land of Angkor saw itself forced to start over again from scratch. Each and every citizen did not have anything that could be considered as theirs by right and had to live in complete insecurity. Our people [words indistinct] despite these difficulties [words indistinct] recovered all the rights and freedoms that were lost in the historically unprecedented calamity between 1975 and 1978.

Reviewing the policy of the party since 1979, we can see that it has given the people rights, freedoms, and conditions conducive for our people to live and work according to their respective capability, enabling each family and the entire national society to take on a new current outlook. Although at the initial stages some points of our policy seemed to be too doctrinal and hardly realistic due to of the peculiarities of our country, in practice our party worked to rectify the situation step by step. In April 1989, the national conference of party cadres made a big historic move forward by liberalizing the socioeconomic, religious, diplomatic, and other principles. After that, the National Assembly announced the change of the country's name and declared the permanent neutral policy of the State of Cambodia. Buddhism was considered the state religion. Traditional festivals and merit-making days, such as the All-Saints Day, the New Year Day, Water Festival, Moon Festival, and so on were organized formally and joyously. Our regime has granted land and house ownership to the people so they can engage in various careers, build up families, and contribute to national reconstruction.

In socioeconomic rehabilitation, from the situation in which we started from zero, with bare hands to a no-war no-peace situation, we overcame tens of thousands of obstacles in order to rebuild both our society and economy. Although there still remain many difficulties to resolve, we have practically made a remarkable progress. Our biggest success was in reviving a completely disintegrated economy, carrying it through a course of restoration and development, and bringing it to the present stage of gradual stability. The production bases as well as the material and technical bases have been reorganized and have returned to operation, while a number of them have been newly built and are actively serving the people's day-to-day livelihood needs and national reconstruction.

Our liberalized economic policy is attracting national and foreign traders and investors to gradually bring in capital for investment, which is becoming the source of funds for economic development and for the improvement of the people's living conditions. [applause]

Dear excellencies, ladies, gentlemen, and compatriots: last year 1991 was full of important events that were turning points in the history of the Cambodian nation and people. For instance, the extraordinary congress of the CPP in October 1991 put forward a new political platform and made historic amendments to the party's political line, matching it to the circumstances and situation of the country and the general trend in the world and winning broad support from the people from all circles, both inside and outside the country. All of that, in addition to the gains won by our national society in the past, has greatly enhanced the image of the SOC in the eyes of both national and international public opinion. At the same time, the implementation of our national reconciliation policy is now bearing fruit. Thanks to international assistance and the efforts by all factions involved in the conflict, the settlement of the Cambodian problem was gradually led toward an agreement. Finally, we arrived at the signing of the accords on peace in Cambodia during the international Paris conference on 23 October 1991.

In the spirit of national reconciliation, in a bid to bring about peace for the motherland, and also in the sincere spirit of effectively and successfully implementing the Paris agreement, the CPP and our SOC Government made all-out efforts with the deepest sense of sincerity to accord honors to and create conditions for protecting and accompanying Samdech Norodom Sihanouk, his royal consort, and the rest of his royal family who decided to return to the motherland, in order to join our SOC and other members of the SNC on the path toward permanent peace and national reconstruction. That process, started on 14 November 1991, has progressed well up to the present and has extremely pleased the samdech, leading him to convey honors, recognition, and justice on the CPP and our SOC, thereby making all of our Cambodian nation very proud. At the same time, the samdech has been extremely content with the political line that our party and state are currently implementing, considering it the continuation of the policy of Sangkum Reas Niyum headed by the samdech before 1970. The samdech also publicly promised that he would stay with all of us, his children, forever.

At the same time, the CPP solemnly declared that it recognizes Samdech Preah Norodom Sihanouk as the legal and legitimate head of state of all of Cambodia as in the time before the 1970 coup d'etat, supports his candidacy in the future presidential elections, and supports his royal crusade for national reconciliation, national union, peace, and national reconstruction, so that he remains forever the prince father, the Samdech Euv of the nation and of our CPP. [applause]

In the socioeconomic field, thanks to the amendments made to the policy of our party—such as the granting of ownership on lands and houses and the pursuance of a free-market economic policy in addition to the signing of the Cambodian peace agreement of 23 October 1991—there have been successive investments by both local and foreign companies. Generally speaking, the economic policy of the SOC party and government has enabled our economy to become gradually stable and balanced. It is expected that this economy will grow further in the days to come. This year's production drive—despite the natural disasters—is a success; food is being produced in a quantity large enough to meet local demand. This will thus contribute to fairly stabilizing the living conditions of the majority of our people.

Dear excellencies, ladies, gentlemen, and compatriots, the implementation of the Paris agreement on Cambodia is the only hope for bringing about a durable peace for Cambodia. With this in mind, the SOC faction, in its capacity as the host, has done and is doing everything possible in order to create a healthy ambience conducive to the implementation of the agreement. For example, we have been patient in correctly implementing the cease-fire in place, increasing steps to ensure political safety and social order, arranging a headquarters for the SNC, ensuring safety for other SNC members, creating facilitating conditions for the functioning of the SNC Secretariat, and recently enabling the SNC to convene its first meeting in Phnom Penh without incident. Thanks to good preparations, so far many countries have sent their ambassadors to present credentials to Samdech Preah Norodom Sihanouk and, one after another, several ministers of foreign affairs have paid official visits to Cambodia. Furthermore, the SOC Government has cooperated with and facilitated work for various UN institutions, such as the UN Advance Mission, UNAMIC, to successfully carry out their tasks in Cambodia.

Dear excellencies, ladies, gentlemen, and compatriots, all the brilliant successes achieved above are possible thanks to the great sacrifices made with a high sense of courage, resilience, determination, and tirelessness by our cadres, employees, workers, combatants, and people throughout the country who have been united as a single body around the CPP and the SOC Government, and also thanks to the suitable contributions of the fraternal overseas compatriots. These successes cannot be separated from the assistance of friendly countries, near and far, of the international community, and of various humanitarian organizations the world over.

On behalf of the CPP, SOC Government, the Kampuchean United Front for National Construction and Defense, and the Cambodian people as a whole, I would like to express heartfelt gratitude and profound thanks to all international associations, all countries involved in the Cambodian problem, and all international organizations that have worked tirelessly for the cause of peace and national reconciliation in Cambodia. [applause]

Dear excellencies, ladies, gentlemen, and compatriots: the latest situation following Samdech Norodom Sihanouk's return to the motherland has developed positively toward the consolidation of the political stability that is beneficial to the process of implementing the peace agreement. That is heart-warming to our party, government, and people throughout the country, as well as to the international community whose desire is to bring about a lasting peace for Cambodia.

However, despite this excellent situation, we must realize that there are still many major problems to be resolved before we can have the long-coveted peace: namely, the problem of sincere application of the peace agreement by all parties to the conflict, the problem of dissolving and disarming the armed forces, the problem of providing support and assistance for the demobilized armed forces to reintegrate themselves in their new lives and jobs as civilians, the mine-clearing problem, the problem of repatriating the refugees and creating conditions for their livelihood, the problem of preparing the elections, the problem of forming the new government, the problem of reconciling all forces in the conflict so they can coexist peacefully in the national society, the problem of rehabilitating and developing the country, and so on.

In fact, in the peace settlement and resolution to all these problems, there is the lofty contribution of Samdech Norodom Sihanouk in his capacity as the head of state of Cambodia and chairman of the SNC as well as the contribution of foreign countries and all parties to the conflict. However, as far as the SOC faction which controls the majority of our territory and population and the host is concerned, it feels that it bears the largest part of the responsibility for the implementation of the agreement and for the settlement of all relevant problems. Besides the above problems, the SOC bears the great responsibility of ensuring the social requirements in the socioeconomic field and of maintaining the social safety and order. For this reason, the maintenance of the political stability of the SOC constitutes the most necessary vital factor directly related to the implementation of the peace agreement at the present time.

I take the opportunity of this occasion to appeal to all Cambodian factions to sincerely implement the agreement. The only important thing is that all of us must be patient, sincere, and cooperative with one another in order to resolve all problems in the implementation of the peace agreement, in order to achieve peace and national reconciliation and end the destructive war of the past 20 years [words indistinct] of the motherland quickly for the peace, happiness, and harmony of our people throughout the country. [applause]

Dear compatriots, in order to contribute to achieving peace and national reconciliation so that we can quickly build and develop our nation from now until the general elections, we must see to it that the following tasks are fulfilled. It is imperative to: successfully implement the 23 October 1991 peace agreement; strive to reach the goals of peace and national construction and improve the image of our party; correctly implement the provisions of the cease-fire in place; pay attention to enhancing cooperation between the competent forces and the combined forces of the masses in order to ensure the political safety and social order; focus on creating facilities and security for the SNC members and their aides working in Phnom Penh; cooperate with all forces both inside and outside the country in guaranteeing human rights in Cambodia in the spirit of the Paris agreement; strive to carry out well all the socioeconomic tasks; pay attention to the day-to-day livelihood of the general public; check to the maximum all negative and corrupt activities in society.

I take this occasion to appeal to the compatriots to actively participate in and cooperate with the government in order to expose and take timely legal actions against the bad, corrupt elements who abuse their powers and infringe on the laws, thus harming the legitimate rights and freedom of the citizens or affecting state property. However, the brothers must avoid using violent methods or sabotage that would hurt peace, public order, and stability, which is against the law.

Compatriots, we must: protect the current ownership of the people and push for the issuance of administrative procedures and modalities concerning ownership; strive to attract capital investment and guarantee that all contracts with companies that have invested and that are going to invest in our country shall be honored; make prior preparations for the reception of the repatriated regugees by correctly and fully cooperating with the UN High Commissioner for Refugees; join with the United Nations and all factions in checking violations of the agreement, especially the military violations; and create favorable conditions for the UN officials to function successfully.

Along with striving to fulfill the above immediate tasks, it is imperative to focus attention on disseminating the contents of the party's political platform just adopted at the extraordinary congress last October, for this is the political line most suitable to the circumstances and situation in the country and to the general trend of the world at present, and the true policy that will lead the country toward genuine peace, national reconciliation, and development.

Cadres must pay attention to researching, analyzing, and rethinking, and must wisely adapt themselves to the new situation that is developing rapidly with the goal of serving the supreme interest of the motherland and the supreme ideal of the party by considering all of that as a new qualifying character for cadres.

Now more than ever, I would like to appeal to all our cadres, party members, combatants, and people throughout the country to contribute to fulfilling the immediate tasks in order to ensure the successful implementation of the peace agreement and achieve national reconciliation in order to quickly develop our motherland. Thank you. [applause]

Chea Sim Message on Young Pioneers Anniversary

BK0101092792 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 1 Jan 92

["Greeting message from His Excellency Chea Sim, chairman of both the Cambodian People's Party and the State of Cambodia's National Assembly, on the 12th founding anniversary of the Cambodian Young Pioneers"—live or recorded]

[Text] Beloved children: On the 12th founding anniversary of the Cambodian Young Pioneers, on behalf of the Cambodian People's Party [CPP], the State of Cambodia, and the front, I would like to express fond, affectionate, and most cordial sentiments to you. I wish all of you good health, intelligence, and good studies for your brilliant future to be the hope of parents and our country and nation.

I would like to warmly praise and welcome your past achievements and efforts to study and to appropriately contribute, according to your age and strength, to the cause of defending and building our beloved Angkor motherland. Through the activities and movement of the three goods, which the Young Pioneers have initiatied, many of you have been honored as good children, good pupils, and good friends. In the future, you will become good citizens and good children of the country and nation.

Beloved children: Over the past 13 years, the CPP and the State of Cambodia's Government have rallied united forces of the people nationwide and compatriots living abroad, and the precious assistance of friends near and far the world over, to defend the country and maintain the people's peaceful life, restore and improve the living standards of society, the country, and nation with satisfactory results in every field despite having to overcome difficulties.

The educational sector in particular has developed. All levels of schools have been built everywhere, creating conditions for a multitude of pupils—our people's children—to study and acquire knowledge. Illiteracy has been gradually eliminated. The CPP and our State of Cambodia's Government have always paid attention to educating and teaching children, considering this as an important task linked to the future of the country and nation.

Starting from the supreme interest of the nation and the people and the issue of our children's future, the party and our State of Cambodia have consistently implemented a policy of national reconciliation to bring calm and peace to the country and nation aimed at ending the people's suffering, and are faithfully implementing the agreement signed in Paris on 23 October 1991.

Beloved children: You are the good seeds of the motherland; you are the young shoots to take over from the bamboo; you are the hope of the motherland and parents. Therefore, you should increase efforts to study well to become fully capable persons. You should abide by the advice of parents, teachers, elders, and friends in order to become useful persons to society, country, nation, families, and to yourselves. You should unite and assist friends in your studies, leisure, and in daily life.

You should actively take part in patriotic movements to become good children, good pupils, and good friends. You should strengthen and widely expand relations of friendship with children the world over to contribute to building a world with peace, friendship, solidarity, and for the happiness of all human beings.

On this solemn occasion, I would like to thank all levels of the people's party, state authorities, youth union, various social organizations, and everyone for creating conditions and actively contributing over the past period to nurturing and educating the succeeding generation of our nation. I appeal for further efforts in this noble educational cause.

Finally, I wish all of you a peaceful life with peaceful studies. I hope that you will further increase your own efforts for your own good future and the future of the country and nation.

Son Sann Calls for Early Dispatch of UNTAC

BK0701013892 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 6 Jan 92

[Text] In his international New Year message, His Excellency [H.E.] Son Sann, member of the Supreme National

Council [SNC] from the Khmer People's National Liberation Front, called on the United Nations to quickly send the UN Transitional Authority in Cambodia [UNTAC] to Cambodia.

This appeal by H.E. Son Sann shows that without UNTAC, the SNC alone cannot implement the Paris agreement. Thus, it is necessary to quickly dispatch the UNTAC to Cambodia so as to join with the SNC headed by Samdech Norodom Sihanouk, Cambodia's chief of state, in implementing the Paris agreement to end the Vietnamese war of aggression against Cambodia.

Editorial Welcomes National Assembly Resolutions

BK2812070291 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 27 Dec 91

[Station editorial: "Joining Forces To Effectively Implement the Resolutions of the First National Assembly's Extraordinary Session"]

[Text] The full-day extraordinary session of the State of Cambodia's [SOC] First National Assembly, which had been held [words indistinct] 1991, successfully concluded with brilliant outcome.

All day long, our National Assembly members physically, morally, and intellectually strived to debate thoroughly [words indistinct] issues which are significantly related to the political, economic, social, and daily life of our society and nation. Those issues are also closely linked with national reunification and the implementation of the 23 October 1991 peace accord.

Through the debate, the Assembly was of the view that the duties and responsibilities of the SOC Government and state institutions at all levels in this new stage of historic character have become more and more outstanding. This is because the government and institutions should, at the same time, undertake two tasks, which are to implement the peace accord and lead and administer the political, economic, and social affairs so as to ensure stability and safety within the society and nation. However, the Assembly acknowledged that the struggle against negative phenomena and corrupt practices at all levels had not been carried out effectively, profoundly, and thoroughly. In this context, the Assembly appealed to the masses and people to actively become involved and to cooperate with the government to find and establish measures to deal with, in a legal manner and on a timely basis, the evil and corrupt individuals who use their authority to encroach upon the law, affecting the people's rights, freedom, and legitimate interests and the state's property.

Along with this, our Assembly also urged the government to intensify its scrupulous control over all institutions and state authorities at all levels under its auspices. This is to stamp out the remaining negative phenomena which affect the confidence of the masses and people and the process of national reconstruction. The Assembly held that judicial institutions at all levels need to enlarge their responsibilities to ensure that the society's legitimacy is consolidated and expanded and that the duty to respect and abide by the law becomes a definite obligation for every citizen with the understanding that the law represents the wish of the entire nation and is a fundamental element that cannot be discarded or we will be unable to guarantee peace, stability, and the progress of our society and nation.

As for the law on demonstrations adopted at this session of the National Assembly, the law makes the application of rights, freedom, and democracy in our society and nation more lively, appropriate, and beneficial to the entire society and nation. Regarding the amendment to Article Four of the SOC Constitution, the National Assembly has opened up the state's political system thanks to which from now on liberal multiparty democracy will be implemented. All political parties can compete peacefully for democratization and social progress with a view to doing away with clanism and all animosity and vengeance within the society and nation. This is to create a new political climate with solidarity, fraternity, equality, and justice so as to muster national forces to establish a new state that belongs to the people, depends on the people, and works for the people with the motto: Independence, peace, freedom, democracy, neutrality, and social progress.

With patriotism and ardent and sacred aspirations for peace, our people throughout the country totally support the appeal launched by the National Assembly calling on the entire Cambodian citizenry to heighten the spirit of patriotism and sense of responsibility to ensure political stability in the society and nation and to implement and make the 23 October 1991 peace accord absolutely effective. As the true owner of their destiny, the people are resolved to uphold the sense of sincerity, mutual trust, and cooperation in order to reach a peaceful solution to assure security and stability with the aim of preventing the danger of the return to war. This is also to guarantee the people's rights to self-determination through free and correct elections, human rights, and fundamental freedom in Cambodia and to absolutely prevent the practices of the past from recurring.

The Cambodian people everywhere ardently believe in and hope that Samdech Preah Norodom Sihanouk, SNC chairman and eminent Cambodian leader, will make his lofty mission a success. This is to consolidate and develop the spirit of great national union and unity and to elevate the nation's image in the international arena. Our people also wish to appeal to the whole international community—especially the signatories of the peace accord—to recognize and meticulously respect Cambodia's national sovereignty, independence, territorial integrity, neutrality, and unity. They ask them to help ensure the viability of peace in Cambodia and Southeast Asia as well.

All of us are dedicated to jointly and effectively implementing the resolutions adopted at the extraordinary session of the SOC's First National Assembly and are resolved to translate the resolutions into concrete efforts in the cause of defending and rebuilding the motherland toward prosperity.

Indonesia

Government Awaits Singapore's Explanation on Base

BK0601123292 Jakarta ANTARA in English 0953 GMT 6 Jan 92

[Text] Jakarta, Jan 6 (ANTARA)—The Indonesian Government was still waiting for explanations from Singapore on the U.S.-Singapore agreement to establish a U.S. Naval Logistics Command in Singapore, Foreign Minister Ali Alatas said here on Monday.

He told ANTARA after the president's address which introduced the draft 1992/1993 state budget before the plenary session of the Indonesian Parliament here on Monday, that what was expected from the agreement between the two countries was that the increase in the use of facilities would still be in the framework of U.S.-Singapore cooperation, signed in 1990.

Malaysia had previously reacted cautiously on the Singapore agreement to become host of American troops, [words indistinct] Singapore would just go beyond the limit had agreed by the U.S. and Singapore in November 1990.

Singapore's decision was announced during U.S. President George Bush visit to the Island state last Saturday.

Bush said that Washington planned to move the 73rd Task Force Command of the U.S. Seventh Fleet from Subic to Singapore.

According to U.S. officials, the move would involve 100 to 200 U.S. Navy personnel and their families.

As was the case with Malaysia, Indonesia is waiting for explanations from Singapore with regard to the agreement, Alatas remarked.

He did not set aside the possibility, however, that this problem would be discussed in the forthcoming ASEAN summit which would take place in Singapore on January 27-28, 1992.

It should be noted, Alatas said, that when the Philippines refused to prolong the contract on the use of the Subic Naval Base, there were signs that the U.S. would evacuate both bases.

The presence of the United State to take care of the equilibrium in the Asia-Pacific region could not be prevented indeed, he remarked. But in accordance with ASEAN's joint agreement, this matter should be jointly discussed.

According to Alatas, the ambassador of Singapore would have a meeting with him on Tuesday to discuss the naval base problem.

No Base Agreement Established

BK0701114492 Jakarta ANTARA in English 1018 GMT 7 Jan 92

[Text] Jakarta, Jan 7 (OANA-ANTARA)—The Singapore-U.S. agreement to expand the existing U.S. logistical element in Singapore for the servicing, repair and supply of U.S. ships and aircraft is fully within the framework of the MOU [Memorandum Of Understanding] signed in 1990 between the two countries and is not meant for the establishment of a military base, Foreign Minister Ali Alatas said Tuesday.

Alatas made the statement to reporters after receiving official explanations on the subject from Singapore's ambassador to Indonesia Barry Desker at the Foreign Ministry.

Barry Desker was summoned to the Foreign Ministry following the announcement of the agreement during U.S. President George Bush's visit to the island state last Saturday.

The accord is fully within the framework of the MOU and would not lead to the establishment of a base or the partial removal of the U.S. base in Subic, the Philippines, to Singapore, Alatas said quoting Desker's assurance.

Also the U.S. did not ask for Singapore's approval for the removal of the Subic Base to the island.

As to Singapore's statement of "agreement in principle", Desker explained it meant the details of the accord was still to be negotiated.

So, Alatas agreed, the Singapore-U.S. accord is still fully within the framework of the MOU.

He said only the number of U.S. logistics personnel in Singapore would increase from the present 19-20 persons to around 135 persons.

He further said that first reports from Singapore concerning this subject which appeared in the mass media seemed to have used wrong terms as if the United States would move its Logistics Command or a Task Force of the Logistic Command from the Philippines to the island republic.

These reports had caused a belief as if something new would emerge, Alatas said.

"Whereas, after receiving an explanation from the Singapore ambassador, those which would be expanded are the logistic personnel for servicing U.S. naval ships," he added.

The Singapore envoy also explained that the U.S. intended to explore the possibility of repairing its ships and aircraft in other parts of Asia, such as Malaysia and Thailand, Minister Alatas said.

Japan Not To Change Policy After Dili Report

BK0701094392 Jakarta ANTARA in English 0903 GMT 7 Jan 92

[Text] Tokyo, Jan 07 (OANA-ANTARA)—The Japanese Government has responded positively to the actions taken by the Indonesian Government with regard to the November 12 incident in Dili, and will not change its policy, including its economic cooperation with Indonesia.

"After studying the Indonesian Government's actions on the results of the National Enquiry Commission (KPN) on the November 12 incident, we do not feel any need to change our economic cooperation and friendly ties," a Japanese Foreign Ministry spokesman told ANTARA on Tuesday.

The Japanese Foreign Ministry Tuesday issued a statement on the Dili incident, after other statements were also issued by a number of countries.

The Japanese Government hailed the fact that President Suharto discussed on December 28, 1991 the preliminary report of the KPN with the relevant cabinet ministers and military officials and decided the actions to be taken by the government, the spokesman said.

The statement said, in connection with the implementation of the decision, President Suharto called for auto-correction on the part of the government and military circles.

President Suharto decided that regional security officers were reponsible for the Dili incident, expressing the hope that such an incident would not occur in the future.

In this regard, the president ordered the replacement of the chiefs of the 9th/Udayana Military Command (which covers, Bali, East and West Nusa Tenggara and East Timor) and the East Timor Military Operation Command.

Besides, the president also called for firm legal actions against the culprits of the incident, search for those missing and improvement of the living condition of the East Timorese people.

The Japanese Ministry spokesman said the KPN report was objective and fair in concluding the number of victims and on the actions taken by security officers which had gone beyond the limit of propriety.

The Japanese Ministry is also of the opinion that President Suharto's drastic response in replacing two commanders responsible for the Dili incident was an extraordinary thing.

"This indicates that the Indonesian Government admits the serious impact of the incident, and reflects its responsive attitude towards the concern of the international communities over the human rights issues," the spokesman said.

East Timor Issue 'Cannot Be Solved Emotionally'

BK0701080392 Jakarta ANTARA in English 0641 GMT 7 Jan 92

[Text] Dili (East Timor), Jan 7 (OANA-ANTARA)—The East Timor problem, which is very complex, cannot be solved emotionally, by mutual accusations or mere talks—it needs hard work and patience in an atmosphere of unity and cohesion, the top local military commander said.

East Timor operational command chief Brigadier General Rs. Warouw also said the Armed Forces (ABRI) is in East Timor on territorial operation to support the regional administration to better the people's welfare—and this had to begin from self-control and adjustment of attitude.

He made his statements at a ceremony in Dili on Tuesday in which Colonel Jp. Sepang handed over his post as commander of the 164th Wiradharma Regiment in East Timor to Colonel Dunija.

The regiment commander also serve as deputy chief of the East Timor operational command.

In staging such a territorial operation, the effort to communicate with the people, to persuade them to cooperate, calls for the creation of an atmosphere of unity.

He said ABRI's territorial operation in East Timor, which was entering its third year should continue to be based on vigilance on all sides.

East Timor Governor Mario Viegas Carrascalao attended the post transfer ceremony.

Col. Dunija came from the fifth Brawidjaya Military Command while Col. Sepang will assume a new responsibility at the army headquarters in Jakarta.

Finance Minister Discusses Foreign Debt

BK0601122792 Jakarta ANTARA in English 0926 GMT 6 Jan 92

[Text] Jakarta, Jan 6 (ANTARA)—Commenting on the continued expansion of the national revenue base and reallocation of resources, Finance Minister Dr. J.B. Sumarlin said it underscored Indonesia's longer term objective of lessening dependency of overseas aid and government borrowing through increased self-reliance in financing of national development projects.

Explaining the 1992/93 draft budget before the country's editors in chief here on Sunday, the minister acknowledged that foreign debt would continue to be necessary for Indonesia's development in foreseeable future.

As in the previous years, he went on, provision for repayment of foreign debt comprises the largest item under routine expenditures in the fiscal year 1992/93 budget. Based on an assumed exchange rate of 125 yen to the dollar during fiscal year 1992/93, Indonesia's debt obligation under the new budget is projected to rise by

10.6 percent to reach rupiah 15.6 trillion (US$7.53 billion at projected rupiah conversion rates), he added.

Indonesia's outstanding government debt at the end of 1991 was US$42.1 billion.

However, Indonesia's debt service ratio (DSR) - the ratio of aggregate debt service payments to total gross exports - is set to improve over last year.

According to Sumarlin, the DSR based on government debt will decline in fiscal year 1992/93 to 23.7 percent, down from 24.2 in the current fiscal year. With the inclusion of additional private sector debt, and in spite of increased overseas commercial borrowing in the past year, the minister said Indonesia's DSR in fiscal year 1992/93 would be 31.8 percent, down from 33.7 percent in the current year.

Development projects will comprise nearly 41 percent of the fiscal year 1992/93 budget, slightly up from the current year level.

Five key sectors will receive the greatest share of development spending. These are:

—transportation and tourism to receive a record of rp 4.38 trillion, up 10.5 percent from the present year. Road improvements and new construction will receive the largest share—rp 2.76 trillion, a rise of 13.6 percent.

—agriculture and irrigation to receive 2.95 trillion, an increase of 4.9 percent.

—education and culture to receive rp 3.0 trillion, a 16.6 percent increase.

—mining and energy to receive rp 3.01 trillion, up by 23.1 percent, with rp 2.74 trillion earmarked for expanding electrical power infrastructure and generating capacity.

Municipal development to receive rupiah 2.91 trillion.

Laos

Kaysone Phomvihan, Wife Welcomed in Thailand

Feted by Thai King, Queen

BK0701101692 Vientiane KPL in English 0903 GMT 7 Jan 92

[Text] Vientiane, Jan 7 (KPL)—H.E. [His Excellency] President Kaysone Phomvihan of the Lao People's Democratic Republic [LPDR] and his party arrived at Don Muang Airport, Bangkok, at 1350 and were greeted by His Majesty King Phumiphon Adunyadet and His Royal Highness Crown Prince Maha Wachiralonkon.

The party was led to the Guest House of Bangkok where the Lao president and his party was greeted by Bangkok governor who then gave the Lao president the city key as a welcoming symbol of the Thai people.

At 1335, H.E. Kaysone Phomvihan and his wife paid a courtesy visit to His Majesty King Phumiphon Adunyadet and Her Majesty Queen Sirikit at the Royal Palace.

On the occasion, H.E. Kaysone Phomvihan conferred the Phosai-Lan Xang highest order of the Lao PDR [People's Democratic Republic], on the king and the queen of Thailand.

A banquet was hosted by the king and the queen in honor of the Lao president and his wife last night.

At the banquet, His Majesty King Phumiphon Adunyadet delivered a speech saying that though Kaysone had visited Thailand on many occasions, he had just been welcomed as a head of state for the first time. That's why the Thai people had a feelng that this official visit to Thailand marked an auspicious occasion of growing friendship and cordiality. In fact, Laos and Thailand have held time-honoured relationship. The ties between the two countries as well as between the two peoples is inseparably firm. The firm ties are originated from the similar respect for Buddhism, and the similar customs and traditions. The relations have laid a foundation for and supported the consolidation of diplomatic ties and the implementation of joint cooperation projects between the two countries at present. They have borne out satisfactory results. In particular, the Lao president has played an important role in promoting friendship and cooperation between Thailand and Laos.

H.E. Kaysone Phomvihane, then, expressed thanks to the king and the queen of Thailand, the royal family as well as Thai people for the warm welcome and proposed a toast to the king and the queen. He stressed that the Lao PDR and the Kingdom of Thailand are not only neighbouring countries but also countries of long-standing ties of kinship.

On schedule, at 0910 A.M. the Lao president lays a wreath at the victory monument and visits the Royal Palace and the Emerald Buddha Temple at 1015 A.M..

At 1130 A.M., he grants an audience to Thai Prime Minister Anan Panyarachun.

Confers Highest Order on Thai King

BK0701063292 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 7 Jan 92

[Text] On 1 January 1992, President Kaysone Phomvihan issued separate decrees conferring the Phosai-Lan Xang medals—the highest order of the Lao People's Democratic Republic—on His Majesty King Phumiphon Adunyadet and Her Majesty Queen Sirikit of the Kingdom of Thailand.

On the same day President Kaysone also issued separate decrees conferring the Kiattikhoun [honorable] medals on His Royal Highness Crown Prince Wachiralongkon and Her Royal Highness Princess Maha Chakkri Sirinthon of the Kingdom of Thailand.

The conferring of the above-mentioned orders on members of the Thai Royal Family were made for the virtuous deeds they have performed by making significant contributions to gradually developing and improving the brotherly relations and cooperation between the two countries and peoples of Laos and Thailand.

Aspects of Lao-Thai Trade Relations Noted

BK0501135792 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 4 Jan 92

[Feature: "Some Important Aspects in the Lao-Thai Trade Relations"]

[Text] In the past few years, Lao-Thai relations have been developed in many fields, in particular in the economic and trade field. It is noted that in the past years, trade relations between the two countries have been systematically improved and promoted, in particular since 1986—the year in which the government of the Lao People's Democratic Republic [LPDR] vigorously consolidated and promoted implementation of the policy of broadening economic and trade relations with various countries throughout the world. Trade relations with Thailand alone have reached as high as 70 percent and have been vigorously improved in recent years. For example, in May 1991 the Thai Government revoked the monopolization of the Rapid Transportation Organization of Thailand and then allowed other transportation companies, with the Lao-Thai joint ventures, to continuously transport goods between the two countries. In addition, governments of the two countries have signed an agreement on the withdrawal of troops from critical border points. Simultaneously, they have encouraged trust between the peoples residing along the border to carry out trade exchanges on the basis of mutual benefit.

Recently, Laos and Thailand signed the second agreement on trade cooperation. The agreement was signed on the basis of the 1978 cooperation statement signed between prime ministers of the two countries. In 1991, Laos exported goods worth 3,000 million baht to Thailand or some 10 percent more than that exported to that country in 1985. It is praiseworthy that the Thai Government has recently agreed to further reduce the rate of tax for Lao agricultural goods exported to Thailand.

At present, most of the foreign investors having made investments in Laos are businessmen from Thailand. As of 1990, as many as 650 companies from Thailand have carried out trade investments in Laos. This number represents an increase of some 200 percent as compared to that in 1985.

In the past, though the economic and trade relations between the two countries have been expanded and improved as mentioned above, the relations have met with many obstables, in particular in the trading at various trading and goods exchange points along the common border where smuggling has taken place—goods have been smuggled into Laos from Thailand and vice versa. Besides, disturbances have been created in those border areas. This has brought about illegal trading activities. It has also created difficulties in the exchange of goods between the peoples residing along the two banks of the Mekong River. This undesirable situation, if it continues to take place, can bring about more loss to the interests of the peoples of the two countries.

In view of this situation, if the peoples of both countries try to correctly and strictly comply with the laws and regulations of their respective countries, together try to restrict and do away with illegal acts, and then positively join in carrying out trading in an honest and legitimate manner, it is certain that the interests and the relations between the peoples of the two countries will be developed in a favorable manner. As a result, they will together contribute to developing and building their respective countries to be ever more prosperous.

Phoun Sipaseut at Burmese Independence Reception

BK0501081892 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 4 Jan 92

[Text] Yesterday evening, U Maung Maung Lay, ambassador extraordinary and plenipotentiary of the Union of Myanmar [Burma] to Laos, and his wife held a reception at the Myanmar Embassy in Vientiane to mark 44th anniversary of the proclamation of Myanmar's independence. Attending the reception were Phoun Sipaseut, deputy prime minister and minister of foreign affairs, and high-ranking cadres from various ministries along with foreign diplomats and representatives of various international organizations to Laos.

In his greetings speech at the reception, Phoun Sipaseut hailed the achievements recorded by Myanmar in carrying out the cause of defending and building the country over the past 44 years. He also wished for the successful development of the relations and cooperation between Laos and Myanmar.

Agricultural Center Set Up With Chinese Help

BK0601103492 Vientiane KPL in English 0900 GMT 6 Jan 92

[Text] Vientiane, Jan 6 (KPL)—A Viang-Tung centre for agricultural experimentation established here with a U.S. $130,000 joint investment of Chinese Guangdong Province and Lao Vientiane Municipality was opened on January 4.

The centre, located in Dong Vai area of Saisettha District, Vientiane Municipality, has since February last year conducted on a trial basis the growing of a variety of vegetables and fruits with a good yield.

The China Guangdong Province and the Vientiane Municipality have invested respectively U.S. $100,000 and U.S. $30,000 in the joint project.

The agricultural centre represents a plan where new experience in growing vegetables and fruits can be transfered to Lao farmers, especially those in the municipality. Also the centre will deal with the purchase and distribution of vegetables and fruits on the local market.

Attending the opening ceremony of the centre were Khampong Soulinphoumi, deputy mayor of Vientiane Municipality, and representatives from the Ministry of Agriculture and the municipal service of agriculture.

Representative from the Chinese Embassy and its economic attache here were also on hand.

Leaders Thank PRC Counterparts for Greetings

BK0401110192 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 2 Jan 92

["Recent" message of thanks from President Kaysone Phomvihan, Prime Minister Khamtai Siphandon, and Supreme People's Assembly Chairman Nouhak Phoumsavan to CPC General Secretary Jiang Zemin, PRC President Yang Shangkun, PRC Premier Li Peng, and Wan Li, National People's Congress Standing Committee chairman]

[Text] We would like to express our heartfelt thanks to you, comrades, for your best wishes extended to us on the occasion of the 16th founding anniversary of the Lao People's Democratic Republic [LPDR].

Laos and China are close neighbors. Our two peoples have maintained a tradition of friendship since ancient times. We are fully confident that the relations of neighborly friendship, traditional solidarity, and comprehensive cooperation between the two parties, governments, and peoples of Laos and China will continue to develop and be endlessly fruitful.

We would like to take this opportunity to extend our best wishes to the fraternal Chinese people under the leadership of the CPC headed by Comrade Jiang Zemin. We wish you new and greater achievements in defending and building your country.

We wish you, comrades, good health and new successes in fulfilling your noble tasks.

On the same occasion, Comrade Phoun Sipaseut, deputy prime minister and foreign affairs minister of the LPDR, also sent a message of thanks to Comrade Qian Qichen, state councilor and PRC foreign affairs minister.

Leaders Greet Cuban Revolution Anniversary

BK0401105392 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 3 Jan 92

["Joint" congratulatory message from President Kaysone Phomvihan and Prime Minister Khamtai Siphandon to Fidel Castro, first secretary of the Central Committee of the Communist Party of Cuba and president of the government of the Republic of Cuba—dated 1 January 1992]

[Text] On the occasion of the 33d anniversary of the victory of the Cuban revolution, on behalf of the Lao People's Revolutionary Party, the Lao People's Democratic Republic Government, and the multiethnic Lao people, we would like to extend our fraternal salutations and warm congratulations to you, Comrade, and, through you, to the Communist Party of Cuba [PCC], the Council of State and government of the Republic of Cuba, and the entire heroic Cuban people.

The victory of the Cuban people's revolutionary struggle to defend and build the country under the leadership of the PCC headed by Comrade Fidel Castro has served to further increase the prestige and role of the Republic of Cuba in the international arena. This victory has positively contributed to the cause of the struggle for peace, national independence, peaceful coexistence, cooperation, and social progress in the region and the world.

We are firmly confident that the relations of friendship and traditional solidarity between the two parties, states, and peoples of Laos and Cuba will be further strengthened and continually developed.

On this ocasion, we wish you, Comrade, good health and successes in your lofty tasks.

On the same occasion, Phoun Sipaseut, deputy prime minister and foreign affairs minister, also sent a congratulatory message to Comrade Isidoro Malmierca, foreign affairs minister of the Republic of Cuba.

People, Army Urged To Defend New Regime

BK0301143792 Vientiane Vitthayou Hengsat Radio Network in Lao 0430 GMT 3 Jan 92

[Editorial: "Be Determined To Securely Defend the Popular Democratic Regime"]

[Text] Respected listeners, national defense and public security maintenance work is the duty of the entire people and the most important task of the revolution in our country. This is an integral part mentioned in the policy outlined by our party and state at the fifth party congress.

To safeguard the new regime—the popular democratic regime which is the system chosen by the party and multiethnic people of Laos since the beginning of the national liberation struggle against the colonialist- and neocolonialist-imperialists to attain peace, independence, sovereignty, and territorial integrity for the Lao nation—the Constitution was recently promulgated for the Lao People's Democratic Republic [LPDR] as a tool for our people to do this job.

This development clearly reiterates the aspirations of the entire party, armed forces, and people to safeguard and preserve the new regime—the popular democratic regime in our country. In 1991 as well as in the past 16 years, our party's policy has been applied, implemented, and translated into reality in all spheres of work from the center down to the grass-roots level and among our multiethnic people, thus enabling them to accomplish numerous great achievements and victories in the tasks of national defense and national construction and basically bringing political tranquillity and social order to the country. First of all, we have dispatched key cadres at each level from all services to the grass-roots offices, organizations, and communities to educate cadres, state employees, soldiers, policemen, students, pupils, intellectuals, learned persons, and multiethnic people to appreciate and understand the correct and just policy of our party and state and to clearly understand the designs aimed at effecting a peaceful change in our country by the imperialists and hostile forces.

Through this movement, we have managed to create important fundamental factors for executing the work of maintaining political tranquillity and social order. As a result, the popular democratic regime at the grass-roots level has been upgraded in the political, ideological, specialized, and organizational fields. The administrations at various levels have gradually learned how to carry out movements in conformity with their roles and responsibilities as the organizations by the people, from the people, and for the people. The degree of political awareness among the multiethnic people has been further elevated, thus enabling them to hold aloft a sense of patriotism and the love of the new regime and to take the initiative in defending their own country and families.

All these are the proud achievements and victories accomplished by our entire party, army, and people. These achievements have significantly contributed to the existence and development of our regime—the popular democratic regime. This fine tradition of our Lao nation should be incessantly preserved and further enhanced.

Nonetheless, it is evident that in 1992 the hostile forces are unlikely to abandon their hostile designs against the LPDR. They will strive to implement plans aimed at effecting change from within through various forms and methods by creating disturbances to bring chaos and disorder to our country as they have done in other countries.

In face of the new world situation which is changing in a confused manner, security maintenance work plays an even more important role. That is why the Political Bureau of the party Central Committee has repeatedly issued many resolutions aimed specifically at promoting public security maintenance work. Each of these resolutions clearly spells out that public security maintenance work always plays a priority role which is related to all spheres of social work. All movements carrying out socioeconomic construction must be linked to public security and social order maintenance work. Only by fulfilling this work will we be able to bring peace and political stability to our country. To achieve this goal, the party and command committees at all levels and in all services, business sectors, offices, and organizations must step up their leadership and guidance roles and pay attention to fulfilling public security maintenance work at their respective levels and in their respective services. First of all, they must step up the leadership and guidance roles in the movements and gradually build the grass roots into firm and strong foundations; educate and firmly encourage the multiethnic people to become more patriotic, to love the new regime, and to energetically participate in carrying out public security and social order maintenance work in their own communities; and resolutely remove any elements that are undermining peace and social order in our country in accordance with the party and state's policy and laws.

To take the intiative to effectively maintain peace and social order, we must pay special attention to managing home and domicile registration work and the work of improving the living conditions of cadres, state employees, soldiers, policemen, and multiethnic people with a view to creating faith in the party and the popular democratic regime, resisting all acts of deviation and lack of a sense of vigilance toward the enemies. We must take the intiative to translate into reality the party's all-around policy of maintaining peace among the entire masses to ensure peace and political stability for our country, thus making the new regime—the popular democratic regime—firm and lasting forever.

Philippines

Continued Military Pact With U.S. Urged

HK0601055992 Manila MANILA BULLETIN in English 6 Jan 92 pp 1, 20

[By Ric Baliao]

[Text] Various organizations advocating the continued presence here of American forces urged the government yesterday to devise ways and means of sustaining the country's military pact with the United States "to preclude speculations that we are turning our back from our national commitment to help maintain regional security and stability."

This developed in the face of the reported agreement reached between U.S. President George Bush and Singaporean Prime Minister Goh Chok Tong for the relocation to Singapore of the U.S. naval forces command headquarters to be pulled out from Subic this year.

Bush was quoted as saying that Washington had sought the transfer to the prosperous Southeast Asian island-state of the Subic-based U.S. Seventh Fleet's command task force "in line with America's commitment to maintaining a presence in the region as a protective security umbrella despite the closure of Clark Air Base and the scheduled shut-down of Subic Naval Base in the Philippines."

Contacted for comment, Foreign Affairs Secretary Raul Manglapus who headed the Philippine negotiating panel, said the proposed treaty was not a matter of sovereignty but of security not only for the country but also for the Asia-Pacific region.

"The Bush-Goh agreement clearly shows that reality we have always pointed out, that the present situation in the Southeast Asian region underscores the need to work cooperatively with the U.S. to better share the responsibility of promoting stability in the region," Manglapus added.

The Davao-based Mindanao Union for Self-Determination (MUSELD), which has been in the forefront of the campaign for regional peace and security, described the Bush-Goh pact as a welcome move towards ensuring security and stability in this part of the world.

MUSELD chairman Gil Abarico, however, lamented what he branded as the "failure of some of our government leaders to appreciate the true value of continued U.S. presence here when the will of only 12 senators was made to prevail over the popular sentiment in deciding on the proposed 10-year RP [Republic of the Philippines]-U.S. treaty of friendship, cooperation and security which was rejected by the Senate by a vote of 12 to 11."

Last week, Acting Defense Secretary Renato de Villa said that the proposed RP-U.S. Treaty of Friendship, Cooperation and Security rejected by the Senate can still be revived and re-negotiated by the new administration and a "more friendly Senate."

The consensus among Southeast Asian leaders indicates that "while the threat from the Soviet Union has almost disappeared, the small countries in the region still need a protective umbrella because there are still continuing threats to regional security and stability," he said.

He cited as possible flashpoints in Asia, the nuclear threat of North Korea against its southern counterpart and the potential multi-nation conflict over the Spratley Islands in the South China Sea.

Henry Basobas, president of the Olongapo Businessmen's Association, said Singapore has "virtually shown us the folly of our decision to drive away the Americans from our shores."

"Singapore has grabbed the opportunity to welcome the Americans in their land where they can not only continue providing the security mantle the region needs but also bring to this small economic giant of a city-state more business and economic benefits accuring from a U.S. presence, which the Philippines in its present economic condition needs even more badly," he said.

From Cebu City, the League of Concerned Students (LCS) retierated its call for a national referendum to coincide with the forthcoming general elections to resolve once and for all the U.S. bases issue by popular mandate.

LCS chairman Rommel Cavada, whose group has been conducting a signature campaign in support of the petition for public consultations in various areas of the country, expressed the hope that "there could still be avenues to explore the possibility and the feasibility of reconsidering our decision on the proposed treaty with the U.S."

Cavada cited the statement of Defense Secretary Renato de Villa earlier last week that the next administration and a more reasonable Senate could revive the negotiations with the U.S. for a new treaty.

Even former Supreme Court chief justice Marcelo Fernan, a leading presidential aspirant, has been quoted as saying that he favored a national referendum on the bases to determine public sentiment on the issue.

Rebels Show U.S. Hostage to Journalists

HK0701084192 Hong Kong AFP in English 0830 GMT 7 Jan 92

[Text] Manila, Jan 7 (AFP)—Communist rebels for the first time allowed reporters to meet a former U.S. Army officer 15 months after taking him hostage, threatening to abort his release unless the military meets their demands.

One of two journalists allowed to meet Arvey Duane Drown, 66, told AFP here Tuesday that the hostage appeared to be in good condition when they met him last week.

Drown, a former army captain, was captured at a checkpoint of the communist New People's Army (NPA) in Cagayan Province north of here in October 1990.

Drown, who hails from Colorado, was being held at a makeshift tent in a mountainous area in Kalinga-Apayao Province near Cagayan, said the journalist, Vincent Lucas. Six heavily armed NPA guerrillas were assigned to guard him.

A rebel spokesman identified only as Comrade Jose said they would abort the release of the hostage if the local military failed to meet their demand that all military personnel in the area returned to their barracks.

U.S. Embassy official Hugh Hara said the mission was not involved with the negotiations for Drown's release, but added that several mission officers consulted periodically with local officials to check on his welfare.

Drown claimed he was in the area to look for a suitable place to set up his business, the nature of which he refused to disclose. However, the rebels said the date of his presence at the area where he was captured coincided with a massive military operation.

"I believe the NPA has no charges against me and they do not have reason to further detain me," Drown said in a recorded interview conducted on December 31.

He said he missed his family, but would not comment on how he was treated by his captors.

He said he escaped three times, adding that he was not physically tortured after being recaptured.

May Cancel Release

HK0701074192 Manila PHILIPPINE DAILY INQUIRER in English 7 Jan 92 pp 1, 9

[By Sid Batalan]

[Text] Communist rebels yesterday threatened to abort the release of a captured ex-U.S. colonel and two Filipino soldiers if government troops in Northern Luzon ignored their demand to return to the barracks.

The Northern Luzon Command of the New People's Army [NPA] gave the government four days to respond to its demand before they release Arvey Duane Drown, 66, an ex-U.S. Army colonel who is into his fifteenth month in captivity.

The rebels said they would close all venues for negotiations, including the locally negotiated 22-day ceasefire, if the military failed to meet the deadline.

The NPA is demanding a "return-to-barracks" at the battalion-level for 10 days but the military insisted on a pullout only at the company level.

The NPA's latest demand was a watered down version of their original terms, which included the release of all political prisoners in Cagayan Valley.

Expected to be released with Drown are Cpl. Jesus Esteban and a certain Private First Class Galera.

There was no reaction to the rebel demand from the military's Northern Luzon Command whose officers were in a conference as of press time.

Archbishop Diosdado Talamayan of Tuguegarao, Cagayan, head of the Church-initiated negotiating panel, was scheduled to brief the military on Drown's case and present a video footage of Drown taken by freelance photojournalists Bong Lagmay and Vincent Lucas.

The military had earlier demanded that the NPA furnish proof that Drown is alive.

In the video interview, Drown said he tried to escape thrice but was recaptured each time.

On his third attempt, he got lost in the thick forest and was captured after four days.

Communist rebels allege that Drown is connected with the mapping agency of the U.S. defense department.

But Drown said: "I believe the NPA has no charges against me and they do not have reason to further detain me."

Asked if he was tortured, he said: "No, and I don't want to comment further at this time while I'm still in captivity."

On his family, he said: "I missed much my family and I love them very much."

His wife, Ruth, broke into tears when she saw and heard her husband on the video footage.

"I feel much relieved now and very thankful to all the press people around," said Mrs. Drown who confirmed that the man on the TV screen was her missing husband.

"He lost weight and I wonder why he is not shaving his beard this time," said Mrs. Drown, who is is staying at the bishop's palace in Tuguegarao waiting for the release of her husband.

Drown also had a message for the military: "Do what you have to do boys. Get me out of here!"

Air Force Offers To Host Singaporean Fighters

HK0701085692 Manila THE CHRONICLE in English 7 Jan 92 p 3

[By Manny Mogato]

[Text] Air Force authorities have offered to host a squadron of Singaporean fighters in Palawan in exchange for constructing an air gunnery facility similar to the Mount Pinatubo-devastated Crow Valley range in central Luzon, senior military officials said yesterday.

The offer might be taken up during the three-day visit in Manila tomorrow of a five-man defense and armed forces delegation from the republic of Singapore.

Singaporean Defense Minister Yeo Ning Hong will call on the President, his counterpart Secretary Renato S. de Villa and AFP [Armed Forces of Philippines] chief of staff General Lisandro Abadia during his scheduled trip, which comes barely a week after U.S. President George Bush secured an agreement with Singaporean authorities to take in U.S. troops that would be displaced from Subic.

Abadia said there was a plan to construct an air bombardment facility in Palawan to replace Crow Valley but the local military does not have enough funds to support the project.

The air force offered Singapore to finance the project in exchange for an agreement to allow Singaporean fighters to be based in Palawan and use the air bombardment facility for training purposes.

Sources in the Philippine Air Force claimed the Singaporeans were receptive to the proposal and have, in fact, sent a team last year to survey the area.

Abadia, however, said the proposal to build an air gunnery range in Palawan remained in "nebulous state" and doubted if the visiting Singaporean officials would take this up during their stay here.

The Singaporeans used to base at least eight to 10 F-16 fighters at-Clark Air Base for training purposes before Air Base for training purposes before Mount Pinatubo erupted in June last year.

The basing of 10 Singaporean fighters and more than a hundred Singaporean air force personnel in Clark was covered by a 1979 agreement signed by both countries.

The agreement has been renewed several times, the last time being in 1988 for a three-year period.

Meanwhile, Abadia played down the significance of U.S. transfer of forces to Singapore after they withdraw from Subic at the end of the year.

He said Singapore can only take in a few personnel and some U.S. Navy units but can not replicate the functions of the entire Subic Naval Base because of their limited land area.

He said other Asean countries might not welcome U.S. troops and the importance of Subic Naval Base as the U.S. largest overseas naval facility could not be replicated elsewhere in the region.

Malaysia and Indonesia remained lukewarm to continued US presence in the region and only Brunei and Singapore favored hosting U.S. troops but their size would be of less help to the Americans.

Surabaya in Indonesia appeared to be the ideal replacement but Indonesia has been a strong advocate of the Asean's Zone of Peace, Freedom and Neutrality (Zopfan) and a staunch member of the Non-Aligned Nations which have been resisting continued domination of super powers in the region.

Abadia said the American announcement that they are moving in to Singapore after 1992 could be described as "a psy-war."

Other military leaders claimed that the Singaporean visit in the country, although it was arranged before Bush visited the tiny island-state, could be considered a political move to seek backing for continued U.S. presence in the region. Both countries consider themselves the closest allies in the region.

Imelda Marcos Announces Presidential Candidacy

HK0701025092 Hong Kong AFP in English 0234 GMT 7 Jan 92

[Text] Manila, Jan 7 (AFP)—Former first lady Imelda Marcos said here Tuesday that she would run for president in the May 11 elections, and called on the opposition to form a broad coalition against President Corazon Aquino's administration.

"After months of direct consultations with our poor and oppressed citizens, I have decided to run for office to seek the presidency," the 62-year-old widow of dictator Ferdinand Marcos said in a written statement here.

She announced her candidacy after pleading not guilty to six counts of graft filed by the Aquino government against her immediately after she returned from nearly six years in U.S. exile in November.

The flamboyant widow, world-famous for her collection of more than 2,000 pairs of shoes, and her family were chased out from the country during a "people power" uprising which swept Aquino to power in February 1986.

But the widow now faces her late husband's staunchest ally, estranged Aquino cousin Eduardo Cojuangco, who is also running for president along with at least a dozen other politicians. Aquino meanwhile has ruled herself out of the race.

Marcos called on other opposition leaders aspiring for the presidency to submit themselves to a national convention on January 26 and form a "broad coalition of all opposition forces for the 1992 election."

Aquino Untroubled by Marcos Bid

HK0701104392 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT 7 Jan 92

[Text] Malacanang Palace is not worried by a statement from former First Lady Imelda Marcos that she will run for president. This was stated by Press Under Secretary Horacio Paredes in reaction to the declaration by the former first lady. Paredes said this means nothing to President Corazon Aquino because she is busy with other work. Paredes clarified that Mrs. Imelda Marcos' decision to run is not enough motivation for President Aquino to run for president.

[Begin recording] [Paredes] Do the country and the Filipino people want to restore to power the family who ravaged our country? What do we want? Do we want to become poorer? Is that what Mrs. Marcos expects, to fool us one more time? I am not concerned with her candidacy because I can see that there are not that many people who she can fool, but I think that she can run because she is a Filipino citizen and you should be a Filipino national to run. However, I do not know if she has accepted citizenship from another country. If someone notices this she might be brought to court and may be disqualified. The required 10-year residency is no problem, because when she went to America she did not acquire a green card, unlike other candidates who obtained green cards there. Running for the presidency does not require a doctor's certificate attesting to your good health or sanity. So, I think she is qualified to run. But if she has obtained another country's passport, it could be said that she is no longer a Filipino. President Aquino will not run. Even if Lucifer or Satan runs, she still will not run. So, even if Mrs. Marcos runs, she will not run. This is why she has difficulty selecting a successor, because she wants her successor to pursue her projects so that these will not be wasted. So, this is what she is worried about now. Who to endorse? [end recording]

130 Political Parties Seek Official Accreditation

HK0601040792 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 6 Jan 92

[Text] The number of political parties that are registering for and seeking accreditation from the Commission on Elections [Comelec] have risen to 130. The Comelec has expressed the hope that this would still increase in the coming days. The Comelec legal department's records show that of the 130 political parties, 70 are nationwide and 30 are regional [as heard]. Among the political parties accredited by the Comelec are the People's Reform Party of former Agrarian Reform Secretary Miriam Defensor Santiago; Senator Joseph Estrada's Party of the Filipino Masses; Filipino Party of former Ambassador Eduardo Danding Cojuangco; and Norberto Gonzales' Democratic Socialist Party of the Philippines. The most recent political party which has sought accreditation from the Comelec is former Defense Secretary Fidel Ramos' People's Power Party.

Privatization Program 'Likely To Slow Down'

HK0701061292 Hong Kong AFP in English 0601 GMT 7 Jan 92

[Text] Manila, Jan 7 (AFP)—The Philippines privatization program is likely to slow down and the sale of Philippine Airlines (PAL) may not be completed during the term of President Corazon Aquino, officials said Tuesday.

Jose Sison, trustee of the government's Asset Privatization Trust (APT), said the privatization program would slow due to restrictions imposed when congress extended the agency's charter last December.

Among the conditions are guarantees no labor will be displaced by any sale, a requirement that all dispositions must be in cash, and stipulations that the government should recover any losses suffered when an asset is sold for less than its declared price.

"No one will buy under those conditions," Sison said.

Meanwhile, PAL President Feliciano Belmonte admitted that various obstacles may be thrown up to slow down the privatization of PAL so it would be completed only after Aquino steps down from power in June.

But he said Finance Secretary Jesus Estanislao, who is in charge of PAL's privatization, "seems to be 100 percent committed towards privatization."

He said he anticipated that the government's Commission on Audit (COA) would want to examine the bidding for the airline, saying that "there certainly is a possibility (the privatization) will spill over to the next administration."

After taking power in 1986, Aquino launched a privatization program in order to get the government out of commercial activities.

But privatization has been slowed down by congress, legal opposition from former owners, tight COA restrictions and the foot-dragging of state-appointed managers who do not want to lose their jobs or perks.

Belmonte said the government, which owns 95 percent of the airline, is selling off 67 percent of PAL in a bidding scheduled for January 29.

The government was insisting on a minimum bid of 150 million dollars in cash along with additional amounts in the form of Philippine foreign debt instruments, he said.

Manila assumed 512 million dollars of PAL's foreign debts, which have a cash value of 330 million dollars last year in order to make it more attractive to buyers, adding that Manila would expect to at least break even from this debt assumption when it sold PAL, he said.

The government hopes to attract foreign airlines to bid for PAL, but so far only four local finance groups have declared their intention to bid although all claim links with foreign aviation institutions, Belmonte said.

PAL suffered a net loss of two billion pesos (74.1 million dollars) in the past fiscal year largely due to the Gulf conflict.

Belmonte said the airline posted a net profit of 389 million pesos (14.41 million dollars) in the first seven months of the current fiscal year which began last April.

APT has sold 266 government assets since it was created in 1987, earning 26.3 billion pesos (974.1 million dollars) for the government, but has 133 assets still to be sold. PAL is not among the assets being disposed of by the APT.

Power Cooperatives Warned Against Joining Protest

HK0601021592 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 6 Jan 92

[Text] The government may take over the operation of about 120 rural electric cooperatives in Mindanao and other places in the country if they continue with their protest against the new power rate hike. This was the warning issued by Executive Secretary Franklin Drilon following the cooperatives' plan to participate in organized labor's civil disobedience campaign and mass action this week. Drilon said the administration may cancel the franchises of these electric cooperatives if it is proven that they suspended service to the public. Drilon clarified that protesting is one thing citizens can do as stipulated in the Constitution, but the government is hoping that these public utilities know the conditions stated in their franchises. Drilon stressed that public utilities should not be joining any protest action if this affects their services to the citizenry. The executive secretary justified the new power hike, saying this is badly needed in order to recover huge losses incurred by the National Power Corporation. The new power rate hike is needed by the government in response to one of the conditions sought by the IMF before it will grant new loans to the country.

Abadia Downplays Coup Threat From Honasan Group

HK0301015692 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 2 Jan 92

[Text] General Lisandro Abadia, chief of staff of the Armed Forces of the Philippines [AFP] admitted that they cannot capture former Colonel Gregorio 'Gringo' Honasan and other leaders of the Revolutionary Nationalist Alliance before the 11 May elections.

Abadia said that Honasan's group is hiding in Northern Luzon and is no longer in Metro Manila as reported earlier. Abadia also said that the military have concentrated the manhunt on Honasan since the AFP deadline expired on 23 November. The general further said that the military are encountering difficulties in searching for the rebel soldiers because the rebels are continously on the move.

Nevertheless, Abadia downplayed the threat from Honasan's group regarding launching a new coup d'etat before the May elections.

Honasan Unable To Spark Uprising

HK0301122692 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 3 Jan 92

[Text] General Lisandro Abadia, the Armed Forces chief, has reaffirmed that the Operation No Elections will not succeed. Here is Josette Olivera with the details:

[Begin recording] According to Abadia, the Reform the Armed Forces Movement, whose members include renegade Colonel Gregorio Gringo Honasan, no longer has the capability to carry out an uprising because Honasan has been left with only a handful of followers. Apart from this, many of his colleagues have returned to military control. Abadia warned the military not to take sides or support any candidate because this, he said, is not the military's duty. He gave an assurance for a peaceful transition period after the election. [end recording]

High Ranking NPA Leader of Pampanga Captured

HK0201075392 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT 2 Jan 92

[By Ronald Estela]

[Text] The highest ranking leader of the communist rebels in Pampanga has been captured by authorities. The leader was identified as Felixberto Macalino, 54 years old, alias Commander Berting.

Commander Berting was district commander of the New People's Army in Pampanga, and he is also one of the five members of the Executive Committee of the Communist Party of the Philippines. Commander Berting was arrested by Philippine National Police operatives when he attended a family reunion in Barangay San Roque, Santa Ana, Pampanga.

Commander Berting carries a 100,000 cash reward on his head and has long been wanted by the authorities due to his involvement in numerous offensives against government troops and several crime related incidents.

In relation to this, some cases are still pending against Macalino which one involved the kidnapping of Joey Bundalian, gubernatorial candidate of Pampanga.

Thailand

Lao President Lays Wreath at Monument 7 Jan

BK0701071992 Bangkok Radio Thailand Network in Thai 0530 GMT 7 Jan 92

[Report on 7 Jan activities of Kaysone Phomvihan, president of the Lao People's Democratic Republic; recorded]

[Text] Lao People's Democratic Republic [LPDR] President Kaysone Phomvihan and his wife are on the second day of their official 6-11 January visit to Thailand as guests of their majesties the king and queen. At 0910 today, the LPDR president, accompanied by Deputy Prime Minister Police General Phao Sarasin, laid a wreath at the Victory Monument. Also present to welcome him were senior Thai military, police, and civilian officials.

The honor guards played the Lao national anthem followed by the Thai national anthem. Deputy Prime Minister Police Gen. Phao led the LPDR president to the podium to receive a salute from the honor guards. Gen. Phao then led the LPDR president to review the honor guards. The LPDR president was then led to lay a wreath while a soldier played taps. This was followed by a 30-gun salute. This concluded the LPDR president's wreath-laying ceremony.

Later, Police Gen. Phao will lead the LPDR president on a tour of the Grand Palace and the Phra Sirattanasatsadaram.

At 1130 Prime Minister Anan Panyarachun will pay a courtesy call on the LPDR president at Barom Phiman Hall. The prime minister and his wife will host a dinner for the LPDR president and his wife at Government House at 1800 today.

Honored at Banquet

BK0701075592 Bangkok Radio Thailand Network in Thai 0000 GMT 7 Jan 92

[Text] Their Majesties the King and Queen held a banquet in honor of His Excellency [H.E.] Kaysone Phomvihan, president of the Laos People's Democratic Republic [LPDR], and his wife at the Chakkri Throne Hall last night. The banquet proceeded amiably. His Majesty the King proposed a toast to the happiness and success of the LPDR president and his wife. After that, he delivered a speech as follows:

[Begin king recording] Although your excellency president has visited Thailand on several occasions, this is the first time Thailand has the honor of welcoming you as head of state. The Thai people feel your visit is an omen of goodwill and friendship which will grow in the future. In fact, Thailand and Laos have long enjoyed friendly ties since ancient times. Relations between the two states or peoples are so close that they cannot be separated. Our two countries are close neighbors. Both of our peoples are Buddhists and have similar customs, traditions, and culture. It is well known that they are close relatives.

Such intimate and long-established relations are a firm foundation for the establishment and promotion of diplomatic relations and for carrying out joint national projects. These have had satisfactory results and will henceforth continue to expand in a solid manner for even greater progress. In particular, your excellency president has played a special and important role in strengthening friendship and cooperation between Thailand and Laos. [end king recording]

Later, H.E. Kaysone Phomvihan, president of the LPDR, proposed a toast to their majesties the king and queen, and delivered a speech on LPDR and Thai friendship as follows.

[Begin Kaysone Phomvihan recording in Lao] Your Majesty's words about Laos as well as on Thai-Lao relations are highly valued and will be remembered forever by both peoples. My wife and I would like to express our sincere thanks for the warm and honorable reception accorded to us by their majesties and members of the Royal Family as well as by the Thai people of all strata. On this auspicious occasion, I would like to convey my greetings to all brotherly Thai people.

My visit to Thailand comes at a time when the entire Thai people have just celebrated the 5 December great birthday of his masjesty the king. Now, they are also preparing to celebrate the fifth cycle of the 12 August birthday of her majesty the queen with a sense of great loyalty. We see that under the royal patronage of his majesty the king, the Kingdom of Thailand has continually developed and progressed in many fields. Both their majesties and members of the Royal Family are truly the (?protectors) of the Thai people and are most highly esteemed in their hearts.

Respected Your Majesty, the LPDR and the Kingdom of Thailand are not only close neighbors but closely bound by race since ancient times. [end Kaysone recording]

Interior Ministry on Malaysian Border Intrusion

BK0501064692 Bangkok THE NATION in English 5 Jan 92 p A2

[Text] The alleged intrusion by Thai customs officials into the Malaysian border town of Padang Besar, adjacent to Thailand's southern province of Songkhla, was the result of a misunderstanding, a senior Interior Ministry official said yesterday.

Niphon Bunyapattaro, deputy permanent secretary for interior, said Thai authorities were investigating the incident and that local authorities on both sides would try to resolve the dispute that arose to prevent it from escalating.

"Our preliminary investigation shows that the incident took place at the Padang Besar railway station in Malaysia's Perlis State," Niphon said.

But the deputy permanent secretary pointed out that Thailand and pre-independence Malaya had an agreement dating back to 1922 which allows customs officials from each side to investigate smuggling activities on the other's territory.

"I believe the incident was the result of a misunderstanding which led to retaliatory measures from both sides," he said.

Niphon, director of the centre for coordination of the southern region, said he had instructed local Thai authorities to temporarily refrain from crossing over to Malaysian territory and not to act harshly against smugglers along the border area.

The deputy permanent secretary said he would organize a workshop on the Thai-Malaysian border situation in Songkhla's Hat Yai district to be attended by provincial officials.

"Participating provincial officials will be given guidelines on the handling of border issues to prevent future problems there," he said.

Last week, Perlis Chief Minister Abdul Hamid Pawanteh reported four alleged intrusions by some 10 Thai anti-smuggling officers armed with assault rifles and pistols into Padang Besar to harass local traders.

According to the chief minister, in the latest incident the men fired shots at a pile of oil palm fruit belonging to Malaysian traders. In another recent incident, one of the alleged Thai intruders pointed his pistol at a Malaysian anti-smuggling officer before withdrawing, Hamid said.

Tarutao Islands Remain Closed to Malaysia

BK0601013492 Bangkok BANGKOK POST in English 6 Jan 92 p 2

[Text] The Agriculture Ministry will retain the policy to preserve the Tarutao Islands in southern Thailand as a closed national park.

The Ministry would not open the Tarutao island group off Satun to Malaysian tourists from Langkawi island owing to "environmental concerns," a source said.

Representatives of the Agriculture Ministry disagreed with the Malaysian proposal that the Tarutao islands become a tourist spot for its citizens who could sail there from Langkawi island, the source said.

During the annual Thai-Malaysian joint committee meeting which will be held on Malaysia's Langkawi island next month, the representatives of the Agriculture Ministry will uphold the policy of maintaining Tarutao as a closed national park and keeping natural environment on the islands intact and away from the tourist industry.

The Agriculture Ministry has expressed concern over environmental problems which may take place on the islands if it is opened to Malaysian torists.

However, the Thai side will recommend that Malaysian tourists visit Samui Island in the Gulf of Thailand rather than the Tarutao Islands.

During the last joint committee meeting, Agriculture Ministry representatives expressed their opposition to the Malaysian proposal on environmental grounds.

"The Tarutao islands must be subject to national park laws which need to be reconsidered by the authorities concerned," the source said.

Though it had been concluded in the last meeting that it was "feasible" for Malaysian tourists to visit Tarutao, the Agriculture Ministry delegates have repeatedly expressed concern over the environmental effects the tourist industry may have on the islands.

They said Malaysia has pushed hard for the opening of Tarutao to its tourists in order to promote the tourist industry on Langkawi, a duty-free trading town, south of the Thai islands in the Andaman Sea.

The hotel industry in particular would flourish on Langkawi Island if Tarutao was opened to Malaysians, they argued.

During Prime Minister Anan Panyarachun's recent visit to Malaysia, the matter was discussed but Thai officials confirmed that there remains a legal problem concerning opening up national parks.

Medical, Scientific Assistance for SRV Planned

BK0401042292 Bangkok Radio Thailand Network in English 0000 GMT 4 Jan 92

[Text] Thailand will provide short and long-term training courses for Vietnamese medical officers and students.

Deputy Public Health Minister Atthasit Wetchachiwa told reporters that Vietnam has asked Thailand to provide medical and scientific assistance to that country following the introduction of its public health development plan to improve the quality of life of Vietnamese people by the year 2000.

The plan emphasizes four major aspects—communicable disease control, nutrition improvement, population growth rate reduction, and environmental health.

Minister Atthasit made the remark upon his return from a visit to Vietnam. He said Thailand and Vietnam also agreed to exchange scientists between Thailand's Department of Medical Science and Vietnam's Health and Epidemiology Institute.

French Parliamentary Delegation Departs on Tour

BK0401014592 Bangkok BANGKOK POST in English 4 Jan 92 p 2

[Text] A French parliamentary delegation this morning leaves for Phnom Penh on the first leg of an Indochina tour after discussing the Cambodian peace process and other regional developments during a one-day visit to Thailand.

Delegation leader Michel Vauzelle said the tour of Cambodia, Laos and Vietnam—continuing through January 13—was designed to express France's "solidarity" with these states at a time of political turbulence, marked among other things by the collapse of the Soviet Union.

He pointed out that France had a "long tradition" of ties with the Indochina states and the tour was taking place "at a historic moment."

The three states of France's former protectorate were bolstered by Soviet aid during the just-ended Cambodian war, sources noted.

A Socialist MP, Mr Vauzelle is chairman of the National Assembly Foreign Affairs Committee.

He and his delegation, representing all parties of the French political spectrum, were received by Prime Minister's Office Minister Kasem S. Kasemsi and Foreign Minister Asa Sarasin yesterday.

They were accompanied by Thai National Assembly President Ukrit Mongkhonnawin.

The discussions covered the peace process in Cambodia as well as political and economic developments in Thailand's other neighbouring countries, Laos, Vietnam and Burma, Mr Vauzelle told reporters.

In Indochina, the delegation will explore "new tracks" for solving the region's problems, he said.

But he declined to offer specifics when asked for a possible new initiative to deblock Vietnam's economic situation in the face of the continued US embargo.

The delegation is engaging in "parliamentary diplomacy" which is a "useful" complement to State diplomacy, he pointed out.

France in October last year announced plans to muster some $200 million in assistance for Vietnam but the idea appears to have stalled in the absence of positive feedback from potential donors.

The French parliamentary delegates are due to meet key Phnom Penh leaders, including Prime Minister Hun Sen, during their stay in the Cambodian capital until January 7, sources said.

They fly to Vientiane on the same day, after a brief transit in Bangkok.

Plans call for them to spend two days in Laos and the following four days in Vietnam, heading back to Paris on January 13.

Mr Vauzelle said the trip had been planned for more than a year but was delayed because of the Gulf War.

New Iraqui Proposal for Purchase of Thai Rice

BK0401014992 Bangkok BANGKOK POST in English 4 Jan 92 p 11

[Text] The Iraqi Government has made a new proposal to a pool of nine major Thai rice exporters to buy about 570,000 tons of rice on a six-month credit term.

Baghdad said in the proposal it would ask the Jordanian Government to guarantee its letter of credit for the purchase.

Baghdad also guaranteed that should it fail to obtain enough cash to pay for this deal, it would pay in gold.

But the nine exporters remain indecisive on the new proposal, with some expressing concern that the deal might be risky.

An informed source in the pool said the exporters feared that if Baghdad failed to convince certain international commercial banks which had frozen Iraqi assets to release money for this deal, they would be faced with heavy losses.

The exporters are still owed 1,800 million baht by Iraq in unpaid bills for rice bought from them in the past two years.

"It will be useless for us to be paid in gold. We prefer cash to gold," the source said.

Last July the Iraqi Government agreed to buy 645,000 tons of Thai rice worth over 5,000 million baht from the nine exporters.

The first 75,000 tons have been shipped to Iraq, while the shipment of the balance is still pending due to the payment problem.

Formation of Election Monitoring Committee Noted

BK0601134992 Bangkok Radio Thailand Network in Thai 1200 GMT 6 Jan 92

[Text] According to Deputy Prime Minister Michai Ruchuphan, he learned that Kasem Suwankun, the State University Bureau minister, has been selected to head the committee for supervising the general election on the strength of his political experience, knowledge of elections, good standing with students in his post as university rector, and neutrality. Michai disclosed that the committee will comprise 34 members chosen from various occupations, including academics, workers, media members, students, and farmers. Khothom Ariya will serve as the committee's secretary.

Michai said he is confident that committee members will work smoothly together and that there would be a meeting this afternoon to discuss the committee's tasks, power, and duties, as well as its financial needs. Regarding the government's responsibility toward the committee, the government will have to show its responsibility because the committee will be performing the task on the government's behalf.

Columnist Pessimistic on Democratic Elections

BK0501013292 Bangkok BANGKOK POST in English 4 Jan 92 p 4

["Weekend Analysis" by Banyat Thatsaniyawet]

[Text] A general election is a symbol of the democratic system to which everyone, in theory, aspires. But few people are apparently pinning any hopes on the March 22 poll.

Politicians running around on the political stage so far are mainly old faces who have banded together through common interests and have already given in to those holding real power.

Those who think independently, aim to protect the benefits of the majority in society and do not tie themselves to any vested interests, are few in number. This applies to newer politicians in particular, who can be considered the new wave in Thai politics and on whom the growth of democracy may depend.

The value of a democratic system is in allowing people the right to choose their administrators. But if people do not know how to use this right, and allow those of dubious influence to manipulate their voice, it is not hard to imagine the results. Politicians condemned for corruption or branded unusually rich will return to Parliament and regain control of important administrative posts, at the same time cooperating with those holding real power.

They will also certainly fight to administer key portfolios handling monetary affairs or with power to approve large projects—such as the commerce, communications, agriculture, and interior ministries—as in the past.

History will repeat itself if everyone is indifferent to the situation.

The election campaign is not yet in full swing and parties are wooing former MPs. The faces of those controlling the parties, and their relationships with those in power, are also being unveiled.

It is widely expected the next coalition government will have three parties at its core: Samakkhi Tham, whose secretary-general Thitti Nakhonthap is especially close to the Air Force Commander-in-Chief; Chat Thai, whose new leader, ACM [Air Cheif Marshal] Sombun Rahong, is also tied to the Air Force chief; and Social Action, whose new secretary-general, Lt-Gen Khasem Kraisan, is a close friend of the Army Commander-in-Chief.

Prachakon Thai is another potential coalition partner and has refrained from criticising the National Peacekeeping Council [NPKC].

The tiny parties have joined other larger parties because they could not carry the burden of running alone on their own resources. The Social Democratic Force of Chachawan Chuompudaeng has joined Samakkhi Tham while the Liberal Party of Col Narong Kittikachon has joined Prachakon Thai.

Parties that are expected to be in the Opposition because they have been battling the NPKC and campaigning against the Constitution are the New Aspiration Party of Gen Chawalit Yongchaiyut, the Phalang Tham Party of Maj-Gen Chamlong Simuang and the Solidarity party of Bunchu Rotchanasatian.

The Democrat Party has also fought dictatorship, but it pulled out of the campaign against the charter rather suddenly. This caused many to think that the party wants to be the key variable after the election in determining which side forms the government.

But the Democrats also promised the people they would work to amend the charter, particularly the provision that allows the appointed Senate to censure the elected government. This will be played up as a key policy in its election campaign.

Samakkhi Tham and Chat Thai are not likely to agree with such a policy if they are in the same coalition.

The question remains as to who will be the next prime minister after Army Chief Gen Suchinda Khraprayun declined the Samakkhi Tham offer for him to take the post. It is believed other big brass in the NPKC will not dare to take up the post now, even if parties backing the junta should form the government.

The next premier should have the ability to take more responsibility than in the past, both in creating peace and order in the country and creating confidence and cooperation abroad.

Politically, the criteria for the premier will be much more complex than in the past. Other than having to keep the coalition partners together, he will also have to think of the 270 representatives of the NPKC in the Senate. At the same time, he will have to have sufficient bite to handle the opposition in Parliament, particularly during a no-confidence motion against the government.

Most importantly, he will have to bear in mind the feelings of the majority of people who will strongly object to the government if they have to bear the consequences again of the struggle for power and interests among politicians.

Internationally, the break-up of communist Eastern Europe and the Soviet Union point to a future with everyone turning to democracy. As such, the confidence of the international community in the image of Thailand will have great political and economic repercussions.

This will occur at a time when the country is seeking to expand its exports. Acceptance or rejection in the international community will have the greatest effect on Thailand's growth.

Prime Minister Anan Panyarachun has laid down a good basis for the nation. In terms of image, he has the confidence of the international community. He is clean, independent and he hand-picked good ministers. It will be difficult for an elected government to do as much.

It is believed the next government will not last long because it will not be able to stand up to the pressure that will come from all sides.

But people should have heart and work to improve the government and the system in the drive ot achieve democracy.

Government Plans To Confiscate Pramuan's Assets

BK0401133092 Bangkok Army Television Channel 5 in Thai 1230 GMT 4 Jan 92

[Excerpts] General Sitthi Chirarot, the chairman of the Assets Probing Committee, announced this morning at Building 608, Sanam Suapa, Bangkok that the committee resolved to confiscate assets of Pramuan Saphawasu, former deputy prime minister, finance minister, and industry minister because he was found to have dishonestly amassed many assets while holding official posts. [passage omitted]

Pramuan's assets which are to be confiscated consist of deposits in 17 bank accounts and 9 promisory notes worth a total of about 51.6 million baht; land and a building worth 600,000 baht in Tambon Sattahip, Chon Buri Province; four plots of land in Nakhon Ratchasima Province worth 3.2 million baht; three cars worth 5.7 million baht; one boat worth 1.8 million baht; shares in private companies worth 3.8 million baht; and investment worth 4 million baht in a private company. The assets to be confiscated totaled 70.78 million baht. [passage omitted]

Satellite Communications Earth Station Planned

BK0401042092 Bangkok Radio Thailand Network in English 0000 GMT 4 Jan 92

[Text] The Ministry of Transport and Communications will set up an earth station for satellite communications within the compound of the Communications Authority of Thailand in Nonthaburi Province as approved by the government's screening committee on economic matters this week.

The earth station is needed to facilitate satellite communications for aviation, sea faring, and navigation. Presently, satellite communications have to be made through Singapore or Japan. With an earth station in the country, satellite signals can be received at lower cost with 25 percent reduction in expenses foreseen. Also in-flight communications will be enhanced.

The construction of the earth station will take two years with an investment of about 385 million baht. It has a life span of 15 years in service with a net income of about 1,733 million baht to be derived during the period.

The government's screening committee on economic matters observed that the operation can be undertaken by a joint venture company to be set up with major customers, such as Thai Airways International and the Airport Authority of Thailand as partners.

Vietnam

Guangxi Delegation Arrives in Hanoi 5 Jan

BK0601154792 Hanoi VNA in English 1457 GMT 6 Jan 92

[Text] Hanoi VNA Jan. 6—A 16-member delegation of Guangxi province led by Cheng Ke Jie, chairman of Guangxi Zhuang Autonomous Region (China) arrived in Lang Son province on Jan. 5 beginning an official visit to Vietnam.

It was received upon arrival by Chairman of the Peoples Committee of Lang Son Nguyen Minh Quat. It will visit Lang Son, Quang Ninh, Hai Phong, Hanoi and Ho Chi Minh City.

The same day, a 25-member trade delegation of Guangxi led by Chen Ren, vice-chairman of Zhuang Autonomous Region, also arrived in Lang Son.

The Guangxi delegation will have talks with their counterparts in Lang Son on trade, border security and order, as well as economic cooperation, investment, tourism and other issues of common concern.

French Photographer Presents Pictorial Book

BK0601155392 Hanoi VNA in English 1459 GMT 6 Jan 92

[Text] Hanoi VNA January 6—Jean Claude Lable, a French reportage photographer, has presented his pictorial book entitled '*Vietnam: Depth, Emotion and Impression*' to Nguyen Van Linh, advisor to the Communist Party of Vietnam Central Committee, and Nguyen Vinh Nghiep, mayor of Ho Chi Minh City.

The book was compiled in 1986-1990 and published in Paris in 1991 by Editions Hatier. It includes 140 photos selected from his album of 150,000 photos on Vietnam's land and people.

Jean Claude Lable is also author of a book entitled 'Vietnam: War, Land and People'.

Further on Visit by Italian Foreign Minister

Announces $70 Million Aid Plan

BK0601034092 Hong Kong AFP in English 1812 GMT 5 Jan 92

[Text] Hanoi, Jan 5 (AFP)—Italy will grant Vietnam a 70-million-dollar aid package in 1993 and 1994, Italian Foreign Minister Gianni de Michelis announced in Hanoi Sunday.

About one-fourth of the sum will be in outright grants while the rest will be made up of loans, de Michelis told reporters following meetings with Vietnamese officials.

De Michelis, who arrived here Sunday, met with his Vietnamese counterpart Nguyen Manh Cam, Prime Minister Vo Van Kiet, and Communist Party chief Do Muoi.

Italy signed in December 1989 a three-year, 144-million-dollar cooperation accord which was also one-fourth grants.

"Of the 14 cooperation projects already decided, six have been put into operation, with 97 million dollars given," de Michelis said.

The minister also announced that Italy was ready to donate up to 10 million dollars to meet a French call for Western countries to pay Vietnam's debt to the International Monetary Fund of some 150 million dollars.

He said he would insist that the European Community extend its cooperation with Vietnam.

"Now that the Soviet Union has disappeared, there is a problem of substitution, and it would be an error to allow Japan to act alone in Vietnam," de Michelis said, while adding that Japan could be expected to become Vietnam's major trading partner.

Italy decided two years ago to "concentrate its efforts in Asia in Indonesia and Vietnam" in economic matters, he said, adding that Vietnam's political evolution had advanced farther than that of North Korea.

Although the policy goes against a U.S. Government embargo on trade with Vietnam, which dates back to 1975, "I have never perceived a negative attitude on the part of the Americans," De Michelis said.

He estimated that the U.S. attitude toward Vietnam could change "during the second half of this year."

De Michelis is to leave Monday for Cambodia, where he said Italy was ready to play a limited role in a UN peace plan for that country signed in Paris in October.

Sucessfully Concludes Visit

BK0601160192 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 6 Jan 92

[Text] His Excellency Gianni de Michelis, foreign minister of the Republic of Italy, paid an official visit to Vietnam from 5-6 January 1992 at the invitation of the government of the SRV. Accompanying Foreign Minister Gianni de Michelis were many high-ranking Italian Foreign Ministry officials and Italian journalists.

While in Vietnam, the delegation met and held cordial talks with Do Muoi, general secretary of the Communist Party of Vietnam [CPV] Central Committee; and Vo Van Kiet, chairman of the Council of Ministers.

Minister de Michelis conveyed the Italian prime minister's invitation to Chairman Vo Van Kiet to visit Italy in 1992. Chairman Vo Van Kiet gladly accepted the invitation.

The delegation held talks with the Vietnamese delegation headed by Vietnamese Foreign Minister Nguyen Manh Cam. Both sides expressed satisfaction with the fine development of the friendly relations and cooperative ties between the two countries. They exchanged views on measures to further strengthen bilateral relations as well as on international and regional issues of common concern.

Minister Gianni de Michelis officially informed the Vietnamese Government of the Italian Government's expanded aid program aimed at broadening cooperation with Vietnam during the 1990-92 three-year period. The program includes an aid package valued at 70-80 billion lire—approximately 60-65 million dollars—to cover many new projects to be carried out during the 1993-94 period.

Minister de Michelis also informed the Vietnamese government of the Italian Government's readiness to contribute 10 million dollars to help Vietnam settle its debts to the IMF and to grant 60 scholarships and 1 billion lire—approximately 850,000 dollars—as emergency humanitarian aid for Vietnam.

Both sides also agreed on a number of first priority projects, mainly those relating to infrastructures in support of future cooperation programs.

On behalf of the Vietnamese Government and people, Foreign Minister Nguyen Manh Cam expressed sincere and profound gratitude to the Italian Government and people and to His Excellency Minister de Michelis for the valuable assistance they have reserved for Vietnam so far, and also for the efforts that Italy has made to promote the cooperation between Vietnam and the EC and to ease the relations between Vietnam and international financial and monetary institutions.

On this occasion, the two ministers signed a protocol on scientific and technological cooperation between Vietnam and Italy.

On the morning of 6 January, the delegation left Hanoi, successfully concluding its official friendship visit to Vietnam.

Present at the government guest house to say farewell to His Excellency Foreign Minister Gianni de Michelis and his entourage were Foreign Minister Nguyen Manh Cam, Deputy Foreign Minister Nguyen Dy Nien, State Planning Committee Vice Chairman Ho Huan Nghiem, State Science Committee Vice Chairman Le Qui An, Deputy Finance Minister Pham Van Trong, Deputy Minister of Commerce and Tourism Le Kim Long, and many high-ranking Vietnamese Government officials.

Italian Ambassador to Vietnam Marizio Teucei and many Italian Embassy cadres were also present at the seeing-off ceremony.

Leaves Hanoi

BK0601154292 Hanoi VNA in English 1453 GMT 6 Jan 92

[Text] Hanoi VNA Jan. 6—Italian Foreign Minister Gianni de Michelis left here this morning ending his two-day official visit to Vietnam.

Present at the farewell ceremony at the government's guest house were Foreign Minister Nguyen Manh Cam and Deputy Foreign Minister Nguyen Duy Nien.

The Italian minister and his party arrived in Phnom Penh later in the day beginning an official visit at the invitation of Prince Norodom Sihanouk, president of the Supeme National Council of Cambodia.

Thai Military Commander General Suchinda Visits

Meets With Leaders

BK0701020792 Bangkok THE NATION in English 7 Jan 92 p A2

[By Kawi Chongkitthawon in Hanoi]

[Text] Hanoi—"The (Vietnamese) liquor cup is so small," remarked Supreme Commander Gen Suchinda Khraprayun.

"But two cups will make a big cup," replied his host, Senior Lt Gen Dao Dinh Luyen, chief of the general staff of the Vietnamese armed forces.

That was how Suchinda began his day-long conversation with top Vietnamese leaders including Defence Minister Doan Khue and Foreign Minister Nguyen Manh Cam.

When Luyen offered a toast to Suchinda at the Army Guesthouse here, the Thai commander swallowed it in one gulp and smiled. Luyen, meanwhile, drank slowly but in one go as well.

When he met Defence Minister Doan Khue, Suchinda said Khue looked "healthy and fresh".

"Do you have any good medicine for me?" asked Suchinda. "My body has been very weak lately."

Khue smiled.

Suchinda went on to say that Khue looked young because he was promoted to become defence minister.

"You too. You look younger because you are promoted," Khue shot back.

During his meeting with Foreign Minister Nguyen Many Cam, Suchinda drew several rounds of laughters when he said Thailand is a peaceful country because "Thai soldiers love to stay home and cuddle their wives instead of fighting."

He even offered a suggestion to Cam on how to quickly normalize the US-Vietnam relations.

He said Vietnam should lease the Cam Ranh naval base to Washington which is looking for replacement of its military presence in the Philippines.

Suchinda claimed many US congressmen came to him and inquired whether it was possible to rent the Cam Ranh naval base.

If a deal is struck, Suchinda said, "I may get commissions."

"It is a time to speak about peace and not about military bases," Cam said, politely rejecting the suggestion that Hanoi play host to the forces of its former enemy.

Invited To Observe Army Exercises

BK0701024792 Bangkok THE NATION in English 7 Jan 92 p A1

[Text] Declaring that Thailand has nothing to hide, Army Commander-in-Chief Suchinda Khraprayun yesterday invited Vietnamese leaders to visit Thailand to observe military activities.

Suchinda also said Thailand would welcome Vietnam if it wants to observe the annual Cobra Gold military exercise between Thailand and United States.

The Cobra Gold military exercise is the biggest annual exercise the Thai military holds with the US. In the past, Vietnam has criticized the exercise as a threat to peace and security in the region.

"We are sincere, we have no secrets to hide. Come and see for yourself any military activity," Suchinda told Senior Lt Gen Dao Duy Luyen, chief of the general staff of the Vietnamese armed forces.

Supreme Commander Suchinda, who arrived here yesterday for a three-day visit, emphasized this point repeatedly during discussions with two other top Vietnamese leaders, Defence Minister Doan Khue and Foreign Minister Nguyen Manh Cam.

His invitation was apparently linked to Vietnam's rejection of his request to visit the Cam Ranh Bay naval base.

AGENCE FRANCE-PRESSE quoted Cam as telling it later that Vietnam would "certainly" accept the invitation "because our cooperation is already fairly firm."

During his 90-minute discussion with Suchinda, Luyen raised many concerns related to Thailand's alleged support of anti-Vietnamese activities, fishing, and the Vietnamese population living in Thailand.

In reply, Suchinda reassured Luyen that Thailand does not interfere in Vietnam's internal affairs.

"We don't give support to the anti-Vietnamese groups and there is no such group based in Thailand," he said.

Suchinda also said that, given the global changes and the improvement in bilateral ties, Thailand no longer considers the Thai-Vietnamese living in the northeastern region as a problem.

On fishing disputes, Suchinda said the best way to solve the issue was to establish a joint venture, and Luyen said he supported this idea.

Suchinda also asked for fair treatment of Thai fishermen arrested for violating Vietnam's territorial waters. He said Thailand would like Vietnamese authorities to inform the Thai Embassy as soon as possible about the arrest of Thai fishermen and charges they face.

When he met Khue, Suchinda suggested both countries should establish a direct line of communications to keep each other informed of security-related developments to avoid misunderstanding and conflicts.

Suchinda said Vietnam could go ahead with its plan to send a military attache to Thailand. Both countries agreed to exchange military attaches last year but technical problems prevented the stationing of a defence attache.

Both Luyen and Khue stressed Vietnam wants to live in peace with its neighbouring countries in order to promote its economic development.

During discussions with Cam, Suchinda talked at length about economic development, reiterating the need of the Thai government to bring economic prosperity to the Thai people and said he hoped the same thing would happen to Vietnam.

"The two countries can co-operate and build up economic prosperity," he said.

Suchinda said the former Soviet Union, though it was once a great country, did not survive because its domestic policy did not improve the standard of living of the people.

After his arrival at Noi Bai airport, Suchinda was officially received at the Army Guest House with honour guards from the three armed forces.

Luyen expressed the hope that Suchinda's visit would strengthen friendship, co-operation and trust between the armed forces of both countries.

"With this visit, you will see the real intention of the Vietnamese people and armed forces," he said. "We are living with the (new) trends (so) that we have to think of our future."

Suchinda is scheduled to lay a wreath at the Ho Chi Minh Mausoleum this morning and visit the house of the late Vietnamese leader. Later he will hold talks with Le Duc Anh, the No 2 ranking politburo member, and pay a courtesy call on Vietnamese Prime Minister Vo Van Kiet.

Suchinda is accompanied by Deputy Defence Minister Gen Wimon Wongwanit and the three chiefs of staff of the Thai armed forces.

Speaking to reporters before leaving Bangkok yesterday, Gen Suchinda defended the armed forces' plan to buy another squad of F-16 jet fighters, saying the purchase "doesn't contradict the global trend" and that none of Thailand's neighbours had made defence cutbacks.

"Buying more sophisticated aircraft because we need them doesn't contradict the global trend of arms reduction. Big countries are reducing their arms because they already have enough armament," Suchinda told reporters before leaving for Vietnam.

The Cabinet late last month approved the air force's request to buy 18 more F-16 jet fighters at Bt15 billion. The purchase will be made with the air force's own budget.

The air force has already 18 F-16 fighters but claims it still needs more modern aircraft to replace ageing ones.

Suchinda, whose trip to Hanoi was said to aim at promoting regional peace, said none of Thailand's neighbours has cut down its arms spending.

"No neighbour has reduced its arms, be it Laos, Burma or Malaysia. We must look at the situations in the neighbouring countries," Suchinda said.

Request to Visit Naval Base Rejected

BK0701015592 Bangkok THE NATION in English 7 Jan 92 p A4

[by Kawi Chongkitthawon in Hanoi]

[Text] Vietnam has politely rejected Army Commander in Chief Suchinda Khraprayun's request to visit strategic Cam Ranh Bay, saying it is not ready for his visit.

An informed source said the rejection was conveyed to the Thai envoy, Suraphong Chaiyanam, last week after Suchinda made the request a month ago.

Suchinda, who flew in yesterday for a three-day visit, told his host, Senior Lt Gen Dao Dinh Luyen, chief of the general staff of the Vietnamese armed forces that, as a soldier, he wants to know more about Vietnam's military affairs.

"I would like to see (Cam Ranh Bay) because I am interested in it," Suchinda said.

He also invited Luyen to visit Thailand on an official trip, for which he said "the Thai armed forces would arrange everything and every place Luyen wants to see."

In an earlier interview, former foreign minister Nguyen Co Thach said both sides should be open to each other and visits to military facilities in the two countries should be reciprocal ones.

The source quoted a senior Vietnamese official as saying Cam Ranh Bay still has military personnel from the former Soviet Union, and added that Vietnam and the base are not ready to receive Suchinda.

"In the future, there will be an opportunity when Cam Ranh Bay turns into a commercial port," said the source, quoting the Vietnamese official.

Suchinda's request to visit the base followed his remarks in October about the Vietnamese threat to Thailand. The Thai military views the base and its facilities as a threat to Thailand.

However, a high-ranking Vietnamese official told THE NATION that Suchinda's request had been refused as the purpose of his visit was not clearly stated.

He also pointed out that the request was unusual as Cam Ranh Bay base is a big military facility where the naval fleet of the former Soviet Union cooperates with Vietnamese forces.

Since it fell to Vietnamese hands in 1975, the ex-American base in former South Vietnam has been an off-limits area for foreigners.

Mindful of Vietnam's refusal, Luyen politely replied that Suchinda's visit was brief, so it was not convenient to arrange a visit to military bases in Vietnam.

Suchinda and Luyen quickly agreed on an itinerary without mentioning Cam Ranh Bay.

'Special Interview' With Thai Envoy to Hanoi

BK0601105392 Bangkok KHAO PISET in Thai 23-29 Dec 92 pp 34-36

["Special interview" with Thai Ambassador to the SRV Suraphong Chaiyanam by Suthep Sinlapangam, in Hanoi; date not given]

[Text] [Suthep] The Thai Embassy in Hanoi reportedly does not have a commercial counselor. Can you comment?

[Suraphong] You must realize that Vietnam only stopped participation in armed disputes about 10 years ago and just opened up its country in the last couple of years. Its personnel know only a little about conducting business. You must be aware that the embassy has been criticized by Thai businessmen, who charged that the embassy has not assisted them, and as a result enabled Singapore and Taiwan to take away the Vietnamese market. That is not true because no countries, including Vietnam's former master France, are engaging in full-scale business investment in Vietnam. The Japanese set up the office in Vietnam merely to send data home. The same is true with Singapore and Taiwan. For this reason, I wish Thai businessmen would be less impatient. Before starting an investment or business in Vietnam it is necessary to thoroughly learn about the Vietnamese people's character and Vietnamese law. Impatience only brings disappointment. There were incidents of Thai businessmen being deceived by Vietnamese middlemen who claimed to have access to senior Vietnamese officials or to be able to obtain business permits. Thai businessmen now understand the embassy better. I want Thai businessmen to gather necessary information about Vietnamese law, traditions and custom, and disposition of the Vietnamese people before making investment decisions.

[Suthep] Do you think the administrative system in Vietnam poses an obstacle to investment in that country?

[Suraphong] Not at all, the socialist or communist system in Vietnam does not obstruct investment. The real obstacle is the shortage of personnel in the sector concerned. The Vietnamese know nothing about conducting big business and lack technical knowledge. The Vietnamese Government has had to send its officials and instruct them to study Thailand as a model. You probably know that Vietnam has plenty of resources but lacks technology and knowledge in many fields. There are now about 300 companies in Vietnam but less than 5 percent belong to the government, the rest are front companies.

[Suthep] In such a situation, is it advisable for Thai businessmen to make investments in Vietnam?

[Suraphong] My opinion is that investments in Vietnam should be made gradually. I said earlier that prospective investors should gather necessary data first. The current unemployment in Vietnam is over 30 percent, about 15 million people are unemployed, and about 3 million are partly employed. There are less than 5 million elderly citizens. Labor is cheap. I anticipate that in a year Thai businessmen will start concrete investment projects here and in five years the Vietnamese themselves will learn how to conduct business.

[Suthep] When will Thailand open a consulate here?

[Suraphong] It will be established in Ho Chi Minh City as soon as possible, next year at the latest. The Vietnamese Government already returned the embassy Thailand operated there before the collapse of South Vietnam. We will give economic and trade duties to the consulate, while the embassy will concern itself with protection of Thai citizens and assistance to them when they have trouble with Vietnamese law. The embassy will have some economic duties because there are plenty of ores in northern Vietnam, but most economic duties will be assigned to the consulate.

[Suthep] Can you tell Thai businessmen which Vietnamese agency they should approach first?

[Suraphong] The SCCI [expansion unknown], which is equivalent to the Board of Investment in Thailand, to obtain information and advice. But one must understand that Vietnam and Thailand are different. Thailand has 73 provinces and instructions come from the parent agencies when cooperation is sought. It is different in Vietnam. After your approach in Vietnam, an official will accept your proposal and out of formality he would say that your project is good and suitable to his country. No one, however, would make a definite decision. Even if a decision is made, a problem will still arise. Suppose the SCCI approves the establishment of a plant in a province, the plant still cannot operate unless approved by the governor. Therefore, you need a person to ensure coordination between the SCCI and the provincial administration. This is different from the way it works in Thailand. In Vietnam, the governor has the final approval authority.

[Suthep] Who monopolizes communications and telecommunications in Vietnam?

[Suraphong] Australia monopolizes IDD communications, but I think there is room for Thai participation.

[Suthep] Does Vietnam operate a tourism ministry?

[Suraphong] No, Vietnam merges tourism with the commerce ministry, because it regards tourism as commerce.

[Suthep] Has any foreign bank been operating in Vietnam?

[Suraphong] There are only representative offices, such as the Thai Military Bank representative office in Ho Chi Minh City. Several Thai comercial banks want to operate in Vietnam, but there are many obstacles. The Bangkok Bank Limited operated an office in South Vietnam which was taken over after the defeat of that country. The bank is currently negotiating with the

Vietnamese Government, which reportedly wants a guarantee of about 250 million baht, which is an excessive amount.

[Suthep] The Petroleum Authority of Thailand has reportedly gained access to Vietnam. How is it doing?

[Suraphong] It is in the negotiation stage. There is a good possibility of success, particularly concerning natural gas, of which Vietnam is letting billions of baht go to waste annually. We informed Vietnam that the gas could be utilized instead of letting it burn away. If it understands, a contract could be signed soon, and the gas will be piped to Thailand.

[Suthep] How do you know that no investors have made large-scale investments in Vietnam?

[Suraphong] I had conversations with several foreign envoys, including the French ambassador, whom I asked what type of business French firms are engaged in in Vietnam. The answer was that there were not many. Recently, a French company which was given an oil exploration concession in southern Vietnam had to cap its fields after spending $200 million in exploration due to commercial infeasibility. The same firm is seeking a new concession. Five giant Japanese firms have set up four offices in Vietnam to gather information. Korean and Singaporean firms have also set up similar offices. So do the Thai firms of Saha Union, C.P., Bangkok Bank Limited, Surat Canning, Si Krung Watthana, Osot Sapha, etc.

[Suthep] Is Vietnam an attractive place for Thai investors?

[Suraphong] It is attractive after they learn about that country. I think in five years the Vietnamese will learn to conduct business. You visit Vietnam often and should know that the Vietnamese are good soldiers and spies but poor businessmen. They would vigorously argue over minor matters. The diplomatic community in Vietnam wonders whether the Vietnamese were arguing the same way during their wars against France and the United States.

[Suthep] Do you think there will be an investment boom in Vietnam if the U.S. economic sanctions are lifted?

[Suraphong] The sanctions will certainly be lifted, not in the immediate future but gradually in a year or so. I said earlier that Vietnam has a shortage of personnel and lacks technology know-how which will take three to five years to learn. Now Vietnam will have to teach its people how to conduct business. I reiterate that Thai investors who want to enter Vietnam should be patient and first start to collect information and study its laws before making any investment decision.

Foreign Minister Greets Indian Counterpart

BK0701065292 Hanoi VNA in English 0548 GMT 7 Jan 92

[Text] Hanoi VNA January 7—Foreign Minister Nguyen Manh Cam has sent a message of greetings to Foreign Affairs Minister M. Solanki on the 20th anniversary of the establishment of diplomatic relations between Vietnam and India.

In the message, Nguyen Manh Cam expressed his joy at the constant consolidation and development of the traditional relations and multi-cooperation over the past 20 years between Vietnam and India in the interests of the two people, and of the Nonaligned Movement, thus actively contributing to peace, friendship, and cooperation in the region and the world.

He also expressed his sincere gratitude to the Indian Government, people, and Mr. Solanki himself for their support and precious assistance in the struggle of the Vietnamese people for national independence in the past as well as in their national construction at present.

Envoy To Iraq Presents Credentials

BK0701064992 Hanoi VNA in English 0617 GMT 7 Jan 92

[Text] Hanoi VNA Jan.7—Vietnamese Ambassador to Iraq Nguyen Tri Quang presented his credentials to Vice Chairman of the Revolutionary Command Council of Iraq 'Izzat Ibrahim on Jan.4.

Speaking at the ceremony, Mr Ezzat Ibrahim welcomed Vietnam's achievements in national development, expressed the Iraqi people and leaders admiration for and pride of the Vietnamese people's struggle for independence and freedom. He said he believed that the time-honoured relations between the two countries would help develop their cooperation.

Joint Cooperation With Cambodia in Power Project

BK0601155992 Hanoi VNA in English 1453 GMT 6 Jan 92

[Text] Hanoi VNA January 6—Vietnam is cooperating with Cambodia in building the hydro-electric power plan in Rattanakiri province in the eastern part of Cambodia.

The project comprises two power generating stations, Ochhum I and Ochhum II, with a respective capacity of 300 kw and 1,000 kw.

The whole equipment is supplied by Domont-Ciel Company of France including two turbines, transformers and accessories. The French company will also undertake technical supervision of the construction of the pressure pipelines.

Construction started on December 10, 1990 and is expected to be completed at the end of 1993. The Ochhum plant will supply water and electricity to more than twenty thousand inhabitants and electricity to a crepe rubber factory, a saw mill, a rice husking mill and other industrial establishments. It will save 4,000 tons of diesel oil for Ratoanakiri province each year.

Leaders Send National Day Greetings to Cambodia

BK0601153792 Hanoi VNA in English 1512 GMT 6 Jan 92

[Text] Hanoi VNA Jan 6—Vietnamese state leaders today extended their warmest reetings to Cambodian state leaders on the occasion of the 13th National Day of Cambodia (Jan. 7).

In a message jointly signed by Vo Chi Cong, president of the State Council, Vo Van Kiet, chairman of the Council of Ministers, and Le Quang Dao, chairman of the National Assembly, and addressed to Heng Samrin, president of the State Council of the State of Cambodia, Chea Sim, president the National Assembly, and Hun Sen, chairman of the Council of Ministers, the Vietnamese leaders said:

"Over the past 13 years, with their industry and creativeness, the Cambodian people, under the leadership of the People's Party of Cambodia, have overcome untold difficulties and trials and obtained great successes in all fields. The economy, culture and society have been restored and made progress. Security is ensured and the people's living conditions have stabilized and improved. The state of Cambodia has made active and effective contributions to reaching a political solution to the Cambodia issue culminating in the signing of the Paris agreement. At the same time it is playing a major role in the implementation of national reconciliation and concord in Cambodia. The State of Cambodia's role and position is rising on the international arena.

"The Vietnamese people warmly welcome those grat achievement and sincerely with that the Cambodian people firmly maintain peace, realise national reconciliation and concourse and build a Cambodia in peace, independence, prosperity friendly with all countries in the world, firstly with its neighbours".

Attacks in Kompong Speu Seen As 'Fabrication'

BK0601152292 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 6 Jan 91

[Text] Recently, Khmer Rouge radio reported that Vietnam had launched many attacks on various villages in Cambodia's Kompong Speu province, killing and wounding many people. The Vietnam News Agency is authorized to totally reject this ill-intentioned fabrication by the Khmer Rouge radio and affirms that Vietnamese volunteer troops were completely withdrawn from Cambodia in September 1989.

Article Notes International Financing of Projects

BK0601101392 Bangkok THE MANAGER in English Dec 91 p 82-83

[Text] Despite the fact that its new investment laws inspire little confidence, foreign companies, eager to cash in on Vietnam's burgeoning market economy, have flocked to the country, where they have been signing contracts left, right and center. By July this year, 294 projects had been agreed upon, requiring total investment of US$2.1bn.

Yet, when it actually comes down to the nitty-grity of raising money for these projects, financiers find the going tough. A German investor in Singapore cannot find an insurance company to back his investment. An investment banker in Hong Kong has given up in despair after Vietnam's central bank failed to guarantee the loans for his Ho Chi Minh City hotel project. The hard luck stories are as numerous and varied as the new license applications themselves, and the bottom line is all too often the same: lots of ideas, lots of interest, but when the time comes to get a project rolling there is no cash to be found. How is it, then, that a handful of foreign companies have found the cash to finance their projects?

For a start, most of the actual investment committed to Vietnam so far has been small scale and, typically, investors have had to dig into their pockets and pay for the projects upfront. A case in point is the Australian telecommunication company OTC, which doled out US$50m for its buy-operate-transfer contract last year.

There is little or no recourse to domestic banks in Vietnam for project financing. The country's banks, which are still in their infancy, have scant foreign currency reserves. They have mainly been engaged in trade financing or in arranging the odd letter of credit, but they lack experience in the area where investors say they need it most: project financing, where security lies in the revenue generated by the project itself. "The local banks have no money; even if they had, their experience of nearly two decades has not afforded them the education of modern banking and finance techniques," sniffs a case-hardened investment banker in Hong Kong.

Some short-term financing for projects lasting up to one year has taken place, but, with the US tightening the screws on dollar transfers to Vietnam, bankers and investors are having to juggle different currency acounts to get project funds into the country and, once in, they face the risk of not being able to get them back out. "Once your dollars or yen or whatever are transferred to Vietcom-bank, you join a long queue of people trying to get them out for their own projects," one finance executive explains. "It's not that they've vanished, they've simply been reallocated to the guy ahead of you in the queue and you have to wait."

On the whole, foreign banks have been reluctant to take on medium to long-term financing. The biggest obstacles to financing deals, they assert, are the political risks, the lack of foreign currency circulating in Vietnam, and the US embargo, which is prohibiting dollar transfers and blocking soft loans from the World Bank and the International Monetary Fund.

The only exceptions so far have been the US$26m, five-year loan arranged by banque Indosuez for Accor's Thong Nhat metropole hotel project, which came only after it was able to wrangle a loan and a loan guarantee from Vietcom-bank, and Scandinavian Air System's partial mid-term financing by international investors after they, too, secured a loan guarantee from that bank.

Allthough many foreign investors claim that the loan guarantees are necessary and represent a commitment on the part of the Vietnamese, most foreign bankers say that the guarantees are not worth the paper they are printed on.

"The credit worthiness of Vietcom-bank is, to say the least, doubtful," says the Hong Kong banker who pulled out of a hotel deal in Ho Chi Minh City last year. "Unless the deal happens to be well leveraged, like the one cut by Benson & Hedges, which supplies tobacco-processing technology and second-hand equipment and can shut down the plant at twenty-four hours' notice if the local partner doesn't want to comply with standards, I see little incentive to finance a deal in Vietnam."

Much of the explanation for the success of the Royal Hanoi and Metropole projects in obtaining long-term finance stems from the fact that both are allowed to keep their accounts offshore, a concession generallly frowned upon by the Vietnamese authorities, who, desperately short of foreign exchange reserves, want to control the flow of foreign capital. Guarantees and offshore accounts are not expected to become the norm for deal financing in Vietnam.

There may be light at the end of the tunnel, however. Foreign investors are enthusiastic about recent official pronouncements that the State Bank may grant as many as seven branch licenses to foreign banks. The Vietnamese government hopes that the presence of foreign banks, and indeed their foreign currency deposits, will help revive the economy. Foreign investors, on the other hand, are hoping that the banks will bring project financing to otherwise dormant deals.

Analyss say that all five French banks that have representative offices in Vietnam (Banque Nationale de Paris [BNP], Credit Lyonnais, Banque Francaise du Commerce Exterieur, Banque Indosuez and Societe Generale) are vying for the coveted licenses. Credit Lyonnais and BNP called in the brass to impress the Vietnamese government. Jean-Yves Haberer, president of Credit Lyonnais, undertook a trip to Hanoi to praise the country's economic development plans and pledge "concessionary treatment" for Vietnam. Mr Haberer was close on the heels of BNP's vice director general, Emmanuel Philippon. Credit Lyonnais is acting as advisor to the state committee for privatization and to the planned securities market, and Credit Lyonnais Securities' Vietnam Fund has generated much interest. Such a high profile, some fear, may work against the bank's chances for a branch licence. Says a source at CLS: "The Vietnamese may not want to be seen granting Credit Lyonnais too many favors."

Also in line for licenses are Bank of Tokyo, Thai Military Bank, Bangkok, Bank ANZ and Standard Chartered. Hanoi requires that each bank granted a license put US$15m on reserve, and some banks are considering this more of a gauging than a reward. Originally, the minimum capital requirement was said to be about twice as high, but foreign banks balked and did not show any sign of willingness to meet that requirement. At least one bank, Standard Chartered, has withheld its formal application for a branch license because of the hefty minimum capital requirement.

According to one license applicant, the first objctive of the foreign banks is to obtain dong for deposit and loans to local and foreign companies. "That way, the BPs and Shell Oils of the world could use foreign as well as Vietnamese banks for their Indochina projects," the source points out. Without the ability to trade in dong, banks will have to source theri revenues from foreign companies.

In the meantime, foreign investors in dire need of funds and facing the bleak picture of no short-term financing from international development agencies, no export credit or export credit insurance, slim chances of swapping Vietnamese debt and very little, if any, commerical financing, would be well advised to source funds from countries like Sweden and Finland, which offer development aid through governmental and nongovernmental agencies.

Foreign Investments Heavy in Tourism, Services

BK0601082392 Hanoi VNA in English 0536 GMT 6 Jan 92

[Text] Hanoi VNA Jan. 6—In 1991, licences were issued for 21 foreign invested projects in Hanoi with a total capital of USd [U.S. Dollars] 150 million bringing the total number of in four years to 47 with a capital of USd 350 million, making Hanoi second only to Ho Chi Minh City in terms of number of investment projects and total capital.

Attracting most foreign investors have been tourism and services. Others are for industrial production mainly in processing, sub-contracting for or assembly of imported parts, there has been no significant transfer of technology in the past four years.

Most notable are the joint ventures in telecommunications with General Express of Canada with an investment capital of USd 86 million, in motor manufacture with Sae Young International and Saei Machinery Japan with a total capital of USd 37 million in car assembly with Columbia Motor IPP Co. (South Korea) with a capital of more than USd 33 million, and in upgrading the Thong Nhat Hotel (Hotel Metropole) and in building the Hanoi tourist village with French companies with a total capital of more than USd 60 million.

In 1992, and from 1993-1995, Hanoi will strive to upgrade its infrastructure, reorder the list of priority investment in replacement of the 1989 blueprint. It may also consider the formation of business groups large enough to do business with corresponding foreign partners.

At present, Hanoi is seeking joint ventures with foreign companies for the establishment of a series of industrial centres on the fringes of the city centre, a tourist centre on the bank of the West Lake the Nationalities Cultural Park in Nghia Do-Xuan Dinh as well as a number of factories making leather shoes, paper, packaging paper, processing tropical fruits. A list of 25 projects in ready for signature in 1992 with a total invested capital of USd 600 million including a joint venture on the production of plastic- coated bamboo sheets between the Bemes Private Enterprise (Vietnam) and Hangfung Trading Corp. Ltd of Hong Kong, a joint venture of the production of concrete with the AIC Development Ltd of Australia, a joint venture with Summa-Global Indonesia on building the Horizon-Hanoi Hotel. The Daewoo Corp. (South Korea) is considering a joint venture of 100 investment projects in building the industrial centre at Sai Dong on the city's outskirts for the production of electronic appliances with a total capital of USd 130 million. It will also invest in building a factory for the production of black and white colour picture tubes, assembling radios, and computers with an estimated capital of USd 170 million.

Resolution on Boundary Redemarcation Passed

BK0301132792 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 1 Jan 92

[Resolution of the 10th session of the Eighth National Assembly on the redemarcation of administrative boundaries of a number of provinces]

[Text] Pursuant to article 83 of the SRV Constitution and after hearing the report of the Council of Ministers and the views of provincial people's Councils and National Assembly deputies, the SRV National Assembly hereby resolves:

1. To divide Thuan Hai province into two provinces called Ninh Thuan and Binh Thuan.

A. Ninh Thuan consists of four administrative units—Phan Rang-Thap Cham city and Linh Son, Linh Hai, and Linh Phuoc districts—with a natural land area of 3,530.4 square kilometers and a population of 406,732. The provincial capital is Phan Rang-Thap Cham city.

B. Binh Thuan consists of nine administrative units—Phan Thiet city and Tuy Phong, Bac Binh, Han Thuan Bac, Ham Thuan Nam, Ham Tan, Duc Linh, Tanh Linh, and Phu Quy—with a natural land area of 7,892 square kilometers and a population of 812,547. The provincial capital is Phan Thiet city.

2. To divide Hau Giang province into two provinces called Can Tho and Soc Trang.

A. Can Tho consists of seven administrative units—Can Tho city and Thot Not, O Mon, Chau Thanh, Long My, Phung Hiep, and Vi Thanh districts—with a natural land area of 3,022.30 square kilometers and a population of 1,614,350. The provincial capital is Can Tho city.

B. Soc Trang consists of seven administrative units—Soc Trang city and Ke Sach, My Tu, Long Phu, Thanh Tri, My Xuyen, and Vinh Chau districts—with a natural land area of 3,138.67 square kilometers and a population of 1,670,167. The provincial capital is Soc Trang city.

3. To divide Cuu Long province into two provinces called Vinh Long and Tra Vinh.

A. Vinh Long consists of six administrative units—Vinh Long city and Long Ho, Vung Liem, Binh Minh, Tam Binh, and Tra On districts—with a natural area of 1,487.34 square kilometers and a population of 957,281. The provincial capital is Vinh Long city.

B. Tra Vinh consists of eight administrative units—Tra Vinh city and Chau Thanh, Cang Long, Tra Cu, Cau Ngang, Duyen Hai, Tieu Can, and Cau Ke districts—with a natural land area of 2,363.03 square kilometers and a population of 961, 638. The provincial capital is Tra Vinh city.

4. To divide Ha Nam Ninh province into two provinces called Nam Ha and Ninh Binh.

A. Nam Ha consists of 13 administrative units—Nam Dinh and Ha Nam cities and Xuan Thuy, Hai Hau, Nghia Hung, Nam Ninh, Y Yen, Vu Ban, Binh Luc, Ly Nhan, Thanh Liem, Duy Tien, and Kim Ban districts—with a natural land area of 2,423.59 square kilometers and a population of 2,435,995. The provincial capital is Nam Dinh city.

B. Ninh Binh consists of seven administrative units—Ninh Binh and Tam Diep cities and Hoa Lu, Tam Diep, Gia Vien, Hoang Long, and Kim Son districts—with a natural land area of 1,386.77 square kilometers and a population of 787,877. The provincial capital is Ninh Binh city.

5. To entrust the Council of Ministers with directing the implementation of this resolution of the National Assembly in accordance with the spirit of practicing thrift, not increasing staff personnel, not incurring losses of state property, and quickly stabilizing the organization and development of production.

6. To entrust the Council of Ministers with making a study to devise general and comprehensive plans for administrative boundaries, at the levels of province and

municipality directly subordinate to the central government on a stable and long-term basis, to be submitted to the National Assembly for consideration and decision at an appropriate time.

This resolution was passed by the Eighth SRV National Assembly in its 10th session on 26 December 1991.

Signed: Le Quang Dao, chairman of the National Assembly.

Feature Views Progress in Agriculture in 1991

BK0301063492 Hanoi Voice of Vietnam in English 1000 GMT 2 Jan 92

["Vietnam Economy" feature]

[Text] It was no coincidence that food production was assessed at the 10th session of the Eighth National Assembly as the most significant achievement of Vietnam's economy in 1991. Vietnam entered the 1990's obtaining food output of nearly 22 million tons, 200,000 tons more than the record figure of 1990. The figure means a lot in the context that agricultural production in 1991 was faced with numerous difficulties, many unprecedented, such as cultural calamities and sudden cutbacks in the long-established markets of the former Soviet Union and Eastern Europe.

Filling their stores with paddy, the peasants cannot help recalling hardship they had to undergo, such as the long cold spells in the winter-spring crop in the north that ended up with a loss of more than a million tons of paddy. Flooding in the northwest, and especially in the Mekong River Delta in the south, have swept away many hamlets and villages inflicting great damage to rice fields, causing a total loss of nearly 2 million tons.

The seemingly insurmountable difficulties have been overcome; people's food demands have been met. The price of food is stable nationwide and a considerable amount has been reserved for export. That might be the reason why the minister of agriculture and food industry, Mr. Nguyen Cong Tan, was not questioned at the Eighth National Assembly about food shortages in Vietnam. In an interview with our radio correspondent, Mr. Nguyen Cong Tan said:

The main reason is that the new economic structure and policy have encouraged peasants to boost food production. More than 90 percent of the 3,000 separate farming households in seven provinces work under the new structure and policy at present. Another reason is the application of new technology in rice fields together with new rice varieties. And the last one is foreign investment and cooperation.

Over the past year Vietnam has invested a great deal in agricultural production, particularly irrigation in potential rice growing areas such as the Mekong River Delta. This has helped increase the food output of the whole country. On the other hand, the increase in food production in the past year has been thanks to assistance from UN agencies, governmental and non-governmental. The Netherlands helped Vietnam with fertilizer, Italy joins Vietnam in producing tea and developing sericulture, France is assisting in husbandry and some processing industries, Australia helps the processing of slaughtered meat for export.

International financial and economic organizations have plans to lend Vietnam investment capital with priority interest rates. In this field, international cooperation in 1992 will be broader and more effective.

On the orientation and measures to develop agriculture throughout the 1990's, Mr. Nguyen Cong Tan says:

To have a well-oriented policy for agricultural development for the next decade, it is necessary to meet two requirements: First, to maintain the same tempo of development as obtained over the past 15 years, that is 5 percent, so as to meet the needs of the people's lives; second, to ensure the effectiveness of agriculture by adapting to the commodity economy and changing the structure of production. Rice used to be a dominant food plant; now a diversity in food production is needed.

Assembly Office Holds News Conference on Laws

BK0601124192 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 6 Jan 91

[Text] The Office of the National Assembly and the Council of State held a news conference this afternoon, 6 January, to introduce the new law on export-import taxes and the new law on Vietnam's civil aviation which were passed by the National Assembly on 26 December 1991.

The news conference was held under the direction of Vu Mao, head of the Office of the National Assembly and the Council of State.

Phan Van Vinh, deputy minister of finance and director general of the Tax General Department, briefed journalists on results obtained during four years of implementing the law on export-import taxes levied on commercial goods and on those residual irrationalities found in the existing law on export-import taxes. He also presented in detail the contents of the new law on export-import taxes and emphatically pointed out those fundamental concepts of this law.

Le Kha, deputy minister of communications, transportation, and post, briefed the journalists on the necessity to promulgate the law on Vietnam's civil aviation and on the process of drafting the law. He also presented in detail an outline of this law and its gist.

We will present the text of the new law on export-import taxes in a newscast at 1200 [0500 GMT] on 9 January, and the text of the law on Vietnam's civil aviation in two newscasts at 1200 on 10 and 11 January.

You, friends, are invited to tune in.

Party School Holds Courses on Party Resolutions

BK0501143592 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 15 Dec 91

[Text] From 26 November to 10 December in Hanoi, the Zone One Nguyen Ai Quoc School held a course on the resolutions of the seventh national party congress with the attendance of more than 600 cadres who are in management positions of precincts, districts, and towns from 16 provinces of northern Vietnam.

Party Political Bureau members Nguyen Duc Binh, Bui Thien Ngo, and Nong Duc Manh; Hong Ha, member of the party Central Committee Secretariat; and many leading comrades of central organs and offices succeedingly presented the resolutions according to 12 topics of the course.

The school will continue to run more courses for leading cadres of 265 districts, precincts, and towns of 22 provinces in northern Vietnam to study the fundamental contents of the seventh national party congress resolutions.

Paper Discusses Challenges, Opportunities of 1992

BK0101111892 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 31 Dec 91

[NHAN DAN New Year's editorial]

[Text] Under the title "1992: New Challenges and Opportunities," today's NHAN DAN editorial points out: The year 1991 has ended with our people's solemn message asserting that our renovation undertaking has made steady progress and is continuing to develop. Noteworthy is the fact that we have maintained political stability and have made economic achievements—notably the unprecedentedly high output in the production of food, crude oil, and export goods.

1992 and the years that follow are a decisive period. One can safely predict that the existing difficulties and the new challenges will be very great. To have confidence in the future of the renovation undertaking means to have confidence in our party, which has initiated and guided that undertaking along the path lit by Marxism-Leninism and Ho Chi Minh thought.

The second plenum of the seventh party Central Committee and the 10th session of the eighth National Assembly make us realize that faced with the opportunities created by the new national and international situations, we must make great efforts and adopt a firm policy and special measures to improve the socioeconomic situation and help the country bail out of the crisis and make quicker progress. Order and development on the economic, cultural, and social fronts are the basic conditions for consolidating political and ideological stability, which is the mainstay of our firm foothold.

The fact that one may slow down in the face of a strong whirlwind or undercurrent also means that one is taking a step forward. However, real progress requires higher resolve, more powerful strength, and greater efforts and the new capabilities and opportunities for advancement at the start of 1992 spring lie in the very determination, strength, and efforts of our entire party, Army, and people.

Australia

Government Recognizes 11 Former Soviet Republics

BK0601130292 Hong Kong AFP in English 0658 GMT 6 Jan 92

[Text] Canberra, Jan 6 (AFP)—Australian Foreign Minister Gareth Evans announced Monday Canberra's recognition of the 11 former Soviet republics that have established the Commonwealth of Independent States.

Evans said assurances by Russia had satisfied the concerns of Australia and other Western nations about a number of issues associated with the independence of the 11 states.

These concerns included security, central control of the nuclear arsenal, compliance with arms control commitments, human rights, protection of minorities and arrangements for meeting the Soviet Union's international obligations.

"Australia is now satisfied with Russia's assurances on these issues and now recognises the reality of Russia as an independent state," he said in a statement.

Canberra accepted, as did other members of the international community, that there was continuity in statehood between Russia and the former Soviet Union and that its international rights and obligations would now be Russia's.

Evans said he had instructed Australia's Ambassador to the Soviet Union Cavan Hogue to discuss with Russian authorities the transfer of accreditation from the Soviet Union to Russia.

"Australia is pleased to be taking these steps, which acknowledge that Russia is the successor state to the Soviet Union and that 11 new states have entered the community of nations," he said.

Papua New Guinea

Restoration of Bougainville Services Assessed

BK0601083892 Melbourne Radio Australia in English 0500 GMT 6 Jan 92

[Text] The commander of the Papua New Guinea Defense Force, Brigadier General Rochas Lokinap, and the police commissioner, (Ila Geno), have begun a firsthand assessment of restoration of essential services on Bougainville.

Gen. Lokinap and Mr. (Geno) flew to nearby Buka Island at the weekend following complaint that there had been no clear instruction from the national government in Port Moresby on restoring the services.

The National Broadcasting Commision [NBC] says Gen. Lokinap has been given authority to control the movement of ships and aircraft in and out of Bougainville in a bid to free up the delivery of supplies to the island. The NBC says the Provincial Affairs Office in Rabaul has now given permission for the motor vessel, (Tomonas), to sail to Bougainville's main port, Kieta, with medical supplies, clothing, petrol, kerosene supplied by the International Red Cross. The consignment has been accompanied by Red Cross officials.

Meanwhile, people in some parts of Bougainville are reported to be facing a food shortage as a result of the recent long dry spell. Reports reaching Rabaul say lack of rain between October and December has effected basic food crops such as taro and sweet potato. Another problem has been pigs, which are reported to have caused serious damage to crops, particularly in (Salau) area.